

Massachusetts

Massachusetts Division of Insurance
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Summary of Important Regulations

MEWA Regulations	No
TPA Regulations	No
Stop-Loss Regulations	Yes
UR Regulations	No

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Health Insurance Reserves Model Regulation	None	None
Comprehensive Health Ins. Cost Containment Model Act	None	None
Standardized Health Claims Form Model Regulation	None	None
Small Employer Health Insurance Availability Model Law	None	Mass. Gen. Laws ch. 176J:1 to 176J:9; ch. 176M:1 to 176M:6
Model Regulation To Eliminate Unfair Sex Discrimination	None	None
Health Information Privacy Model Law	None	None
Preferred Provider Arrangements Model Law	Mass. Gen. Laws ch. 176I	211 Code of Mass. Regs. §§ 51.01 to 51.07
Utilization Review Model Law	None	None
Managed Care Plan Network Adequacy Model Law	None	None
Third Party Administrator Law	None	None.
Stop-loss Insurance Model Law Massachusetts	None	None

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Jurisdiction of Health Care Providers Model Law	None	None
Standard Group Health Model Law	None	Mass. Gen. Laws ch. 175 § 110
Group Health Insurance Mandatory Conversion Law	None	None
Group Coverage Discontinuance/ Replacement Model Regulation	None	None
Premium Rates and Renewability of Coverage-Small Groups	None	Mass. Gen. Laws ch. 176J:1 to 176J:8
Group Coordination of Benefits Model Law	211 Code of Mass. Regs. §§ 38.01 to 38.10	None
Model Regulation for Certification of Health Plans	None	None
Off-Label Drug Use Model Law	None	Mass. Gen. Laws. ch. 175:47K to 175:47L; ch. 175:47O to 175:47P
Group Health Mandatory Drug/ Alcohol Dependency Law	None	Mass. Gen. Laws. ch. 175 § 110 ch. 176A § 10; ch. 176 § 4; ch. 176B § 4A1/2
Model Newborn Children's Law	None	Mass. Gen. Laws ch. 175 § 47C; ch. 176A § 8B; ch. 176B § 4C

Health Examination Benefits Availability Law	None	Mass. Gen. Laws. ch. 175 § 47C
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NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Accident and Sickness Insurance Minimum Standards Model Law	None	None
Agents and Brokers Licensing Model Law	None	Mass Gen. Laws. ch. 175 §§ 162 to 177
MEWA Licensing Model Law	None	None
Managing General Agents Law	Mass. Gen. Laws ch. 175 §§ 177F to 177L	None
Health Maintenance Organization Model Law	None	Mass. Gen. Laws ch. 176G §§ 1 to 23
Insurance Information and Privacy Protection Law	Mass. Gen. Laws ch. 175I §§ 1 to 22	None
Unfair Trade Practices Law	Mass. Gen. Laws ch. 176D §§ 1 to 14	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Physical or Mental Impairment	Mass Gen. Laws ch. 175 § 193T	None
Model Regulation on Unfair Discrimination in Life and Health Insurance on the Basics of Total or Partial Blindness	None	Mass. Gen. Laws ch. 175 §§ 108A, 120B and 193T; ch. 176A § 8C; ch. 176B § 4D

NAIC Model Laws or Regulations

<u>Name of Model Law/Regulation</u>	<u>Model/Similar</u>	<u>Related</u>
Unfair Discrimination against Subjects of Domestic Abuse in Health Benefit Plans Model Law	None	Mass. Gen. Laws. ch. 175 § 95B ch. 175 § 108G, ch. 176A § 3A, ch. 176B § 5A, ch. 176G § 19; ch. 175 § 120D
Unfair Claims Settlement Practices Law	Mass. Gen. Laws ch. 176D § 3	None
Improper Termination Practices Law	None	None
Employee Leasing Registration Model Law	None	211 Code of Mass. Regs. §§ 111.01 to 111.08
Private Employer Workers' Compensation Group Self-Insurance Model Law	None	Mass. Gen. Laws. ch. 152 § 25A Reg. ch. 250 § 1
Public Employee Workers' Compensation Group Self-Insurance Model Law	211 code of Mass. Regs. 67.00	None
Twenty Four Hour Coverage Pilot Project Model Law	None	None

State-Mandates

Benefits That Must Be Covered

- Alcoholism treatment
- Blood lead screening
- Bone marrow transplants
- Cardiac rehabilitation
- Cervical cancer screening (Pap smear)
- Diabetic supplies, education
- Drug abuse treatment
- Formula for PKU
- Hair prostheses (for cancer patients)
- Hearing screening for children
- Home health care
- Hospice care
- Human leukocyte antigen testing
- Infertility services and/or in vitro fertilization
- Mammography screening
- Maternity care
- Mental health, parity
- Minimum maternity stays
- Non-prescription enteral formulas
- Off-label drug use
- Rehabilitation services
- Speech, language, and hearing disorders
- Well-child care

Benefits That Must Be Offered

None

Persons Who Must Be Allowed Coverage

- Adopted children
- Children of dependents
- Continuation/employees
- Handicapped dependents
- Newborns

Providers Who Must Be Covered

- Chiropractors
- Dentists

- Nurse Midwives
- Nurse Psychiatric
- Optometrists
- Podiatrists
- Professional Counselors
- Psychologists
- Social Workers

Coordination of Benefits

- Birthday Rule? Yes
- Divorced/Separated Rule? Yes
- Joint Custody Rule? Yes
- Active v. Inactive Rule? Yes
- Longer v. Shorter Rule? Yes
- Managed Care Rule? No
- COBRA Rule? No
- Preservation Rule? No

Patient's Bill of Rights Legislation

None

High Risk Health Pool

None

External Grievance System

Yes

Basis of Filing Grievance

When all internal appeals are exhausted

Status of Decision of Grievance Panel

Binding

Prompt Payment of Claim Requirement

Yes – 45 days

Commentary

In addition to covering alcoholism and drug abuse treatment, dependents, mental health treatment, newborn children, and home health care, group policies must provide benefits for expenses arising from:

- The option of selecting alternative dental coverage permitting covered persons to obtain dental services from any licensed dentist, where the contract provides comprehensive dental benefits.
- Annual cytologic screening for women 18 years of age or older, a baseline mammogram for women between the ages of 35 and 40, and an annual mammogram for women 40 years of age and older.
- Medically necessary expense of diagnosis and treatment of infertility where pregnancy-related benefits are provided.
- A physician's written order for nonprescription enteral formulas for home use in the treatment of

malabsorption caused by Crohn's disease, ulcerative colitis, gastroesophageal reflux, gastrointestinal motility, or chronic intestinal pseudo obstruction.

- Cardiac rehabilitation expenses, including outpatient treatment to be initiated within 26 weeks after diagnosis, for group hospital service plans.
- Prenatal care, childbirth, and postpartum care to the same extent that benefits are provided for medical conditions not related to pregnancy, under group hospital service plans.
- Chiropractic services.
- Preventive and primary care services for dependent children of the insured from the date of birth through age six, if dependent coverage is provided. Such services include physical examination, history, measurements, sensory screening, neuropsychiatric evaluation and Development screening, and assessment at the following intervals, six times during the child's first year of birth and three times during the year annually until age six. Preventive and primary care services also include hereditary and metabolic screening at birth, appropriate immunizations and tuberculin test, hematocrit, hemoglobin, or other appropriate blood tests, and urinalysis as recommended by the physician.

MEWA Regulation

Massachusetts regulates employee welfare benefit plans which constitute MEWSa, as defined by ERISA. Pursuant to ERISA, it applies to them in any state law which regulates insurance. In general, the statutes are codified¹ and regulations are published.² The Division takes the position that a MEWA, in order to operate in conformity with state insurance laws, must be licensed or admitted as an insurance company, approved as a reciprocal exchange, or fully insured with a company which is licensed or admitted to do business in Massachusetts. A MEWA which offers insurance coverage on a partially or entirely self-funded basis without state authorization, is considered to be operating as an unlicensed or unauthorized manner.

TPA Regulations

No such regulation has been published.

Stop-Loss Regulation

The Massachusetts Insurance Division has ruled that any plan that had any kind of insurance (such as stop-loss) to be partially insured, and thus not preempted by ERISA.³

Utilization Review Regulations

Massachusetts permits third party payers to conduct utilization reviews.⁴ No registration or certification is required. Registration is required for workers' requirements, however.

Miscellaneous

State Premium Taxes

Health-only commercial insurers are taxed at 2.8%; if also licensed as a life insurer, the rate is 2%. Neither Blue Cross nor the HMOs are taxed.

Continuation of Coverage and Conversion of Benefits

No such benefits are mandated.

Manage Care

Massachusetts has established procedures for the creation and certification of preferred provider organizations for use by workers' compensation insurers, self-funders, and self-insurance groups. Use of these organizations is intended to provide some of the same cost containment and improved medical care that such arrangements provide in the basic provision of health care by employers to their employees. Massachusetts also limits PPOs to a 20% price differential between in-network and out-of-network providers.

Small Group Reform⁵

Massachusetts has had its own style of reform, known as play-or-pay, for many years. For this reason, it is not included with the newer models of reform.

MSA Legislation

No action.

Endnotes

¹ Mass Gen. Laws, ch. § 175 and 176D.

² Code of Mass. Reg., tit. 211.

³ Ins. Dept. Bulletin 90-2 (1990).

⁴ Mass. Gen. Laws. ch. 6B § 4.

⁵ Mass Gen. Laws. §§ 176J:1 to 176J:8; Ins. Dept. Bulletin 92-02 (1992).