ATTACHMENT R

July 28, 2022

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Sections 133, 192, 193, and 196 of House Bill No. 5050, “An Act Making Appropriations for the Fiscal Year 2023 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

These sections require the Massachusetts Health Connector to implement a two-year pilot program to extend eligibility for premium assistance payments or point of service cost-sharing subsidies for applicants at or below 500 percent of the federal poverty guidelines. The pilot would take effect on June 1, 2023 and conclude on May 31, 2025.

While I agree with the goal of providing individuals and families with affordable coverage options, there are significant variables and factors that need to be considered before such a pilot can be implemented. The potential impact on carriers and enrollees, availability of federal funding and subsidies, and Connector systems changes that would need to be implemented to support such a program are all critical factors that would need to be fully understood prior to implementation in order to minimize market disruption and ensure fiscal and operational viability. In addition, there are a significant number of people who are currently eligible for subsidized health plans through the Connector but who have not taken advantage of those options, and I believe maximizing the uptake of those currently eligible should be a priority.

For these reasons, I recommend that Sections 133, 192, 193, and 196 be amended by striking out the sections in their entirely and inserting in place thereof the following section:-

SECTION 133. Notwithstanding any general or special law to the contrary, the commonwealth health insurance connector authority established in section 2 of chapter 176Q of the General Laws shall conduct a study, in consultation with the executive office of health and human services and the division of insurance, as necessary, of the costs and implementation steps required to implement a 2-year pilot program to extend eligibility for premium assistance payments or point-of-service cost-sharing subsidies for applicants at or below 500 per cent of the federal poverty guidelines; provided, that applicants participating in the pilot program that are between 300 and 500 percent of the federal poverty guidelines would have access to a plan that meets at least 90 per cent actuarial value; provided further, that the affordability standard for the pilot program would be consistent with current practices pursuant to section 3 of said chapter 176Q. The commonwealth health insurance connector authority shall submit a written report of its findings, including the potential impact on carriers and enrollees and the availability of federal funding and subsidies, with the clerks of the house of representatives and the senate, the house and senate committees on ways and means, the joint committee on public health and the joint committee on health care financing not later than March 31, 2023.

Respectfully submitted,

Charles D. Baker

Governor