January 8, 2016

Ms. Kristen Lepore

Secretary

Executive Office for Administration and Finance

State House, Room 373

Boston, MA 02133

Dear Secretary Lepore:

On behalf of the cities and towns of the Commonwealth, I am writing to provide input on proposed amendments to 801 C.M.R. 52.00, regulations pertaining to municipal health insurance. The Massachusetts Municipal Association greatly appreciates your agency’s work on this important matter, and is grateful for the opportunity to provide comments.

The Massachusetts Municipal Association supports the Administration’s efforts to eliminate the annual reporting requirement for municipalities electing not to make changes to health insurance benefits under M.G.L. 32B, Sections 21, 22 and 23. As you know, over 250 cities, towns, and other governmental entities have made municipal health insurance changes since the passage Chapter 69 of the Acts of 2011. The law is now saving approximately $250 million in avoided health insurance costs on an annual basis. While a large number of communities used the law’s expedited process to make plan design changes or join the Group Insurance Commission, many additional cities and towns negotiated changes through traditional collective bargaining, leveraging the existence of Chapter 69 as a means of convincing bargaining units to come to the table.

The regulations promulgated to support Sections 21, 22 and 23 of Chapter 32B call for cities and towns to annually report to the Secretary of Administration and Finance regarding health insurance plans offered to each subscriber, whether or not the community had utilized the reform in the prior year, and if not, the maximum possible savings they would have achieved if they had. Given how many communities were able to use the reform law as leverage to conduct successful negotiations outside of the new provisions,

the reporting requirement did not provide a full picture of savings achieved around the Commonwealth. Additionally, the reporting requirements proved to be a cumbersome and difficult administrative exercise for communities. We very much appreciate the Administration’s thorough review of this regulation and the recommendation to eliminate the reporting requirement.

Thank you for considering our comments. If you have any additional questions, please do not hesitate to have your office contact me or MMA Senior Legislative Analyst Katie McCue at 617-426-7272 at any time.

Sincerely,

Geoffrey C. Beckwith

Executive Director & CEO