



COMMONWEALTH OF MASSACHUSETTS
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CHARLES D. BAKER
GOVERNOR

GARY D. ANDERSON
COMMISSIONER OF INSURANCE

KARYN E. POLITO
LIEUTENANT GOVERNOR

February 3, 2022

The Honorable Charles D. Baker
The Honorable Karyn E. Polito
Massachusetts State House
24 Beacon Street, Room 280
Boston, MA 02133

Re: Executive Order No. 589, Merged Market Advisory Council

Dear Governor Baker and Lt. Governor Polito:

Attached is the report of the Merged Market Advisory Council (Council) adopted on January 18, 2022. This comprehensive report represents the first of its kind since the inception of the merged market in 2007. There is historical significance to having a 15-year look-back study of the market to inform decisions going forward. The report is data-driven, unearthed some interesting findings, and presents potential policy options posed from a wide swath of stakeholders. Given the composition of the Council, we knew that we would have diverse views, but each member was professional, collegial, and respectful of others' opinions. Everyone showed a collaborative spirit, and we strived to ensure that the final report reflects all points of view and recommendations.

Throughout the pandemic, we have seen that health insurance coverage plays a critical role in the public's actual and perceived access to and affordability of health care services, and the pandemic has highlighted how the cost of health care and health insurance continue to grow and consume a significant portion of individuals' and small employers' budgets. We, in the Commonwealth, are fortunate that we have a strong health insurance market, but we are constantly faced with new challenges, including requiring the Commonwealth to adapt to emerging federal policies. The Council's work has been vitally important to ensuring the long-term stability of coverage for individuals and small employers in the merged market and the affordability of insured health benefit plans.

We are proud of the work we have done, as a Council – despite the pandemic – to fulfill our charge to study the merged market, review how the health insurance landscape has changed

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since the small group and individual markets were merged, and make recommendations to improve market functioning.

Thank you for this opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary D. Anderson", with a long horizontal flourish extending to the right.

Gary D. Anderson