



**COMMONWEALTH OF MASSACHUSETTS**  
**DIVISION OF INSURANCE**

1000 Washington Street, Suite 810 • Boston, MA 02118-6200  
(617) 521-7794 • FAX (617) 521-7475  
TTY/TDD (617) 521-7490  
[www.mass.gov/doi](http://www.mass.gov/doi)

DEVAL L. PATRICK  
GOVERNOR

GREGORY BIALECKI  
SECRETARY OF HOUSING AND  
ECONOMIC DEVELOPMENT

BARBARA ANTHONY  
UNDERSECRETARY

JOSEPH G. MURPHY  
COMMISSIONER OF INSURANCE

November 18, 2013

Gary Cohen  
Director  
Department of Health and Human Services  
Center for Consumer Information and Insurance Oversight  
Center for Medicare & Medicaid Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Director Cohen:

I write in response to your letter of November 14, 2013 regarding the optional transitional policy that state insurance regulators may adopt for certain policy cancellations and terminations.

As you know, Massachusetts started health reform in 2006 and since then has seen remarkable success with nearly universal coverage of our residents with quality health insurance. Massachusetts has had guaranteed issue since 1996 with significant mandated benefits since the 1980s. With our state mandate in effect since 2007, the result is that so-called "substandard" policies are virtually non-existent in Massachusetts.

Since 2010, Governor Patrick and our entire Administration have focused significant efforts around cost containment. Health insurance base rates at that time were hovering around 16%. Today, those same base rates are under 2%. In partnership with your office and others, we are working to seamlessly overlay the additional benefits of the Affordable Care Act ("ACA") on top of the progress we have already achieved. In recognition of Massachusetts' unique position in implementing significant reforms prior to the ACA, earlier this year, we were granted a three year transition to ensure that further changes did not disrupt the efforts we have made to date.

Unlike most other states, Massachusetts has had a basic minimum benefit level in place for the past six years. As such, almost all health insurance products in Massachusetts are now at or above minimum creditable coverage. In accordance with the ACA, some consumers, upon renewal, will need to change health insurance products to meet the metallic tier requirements. Again, unlike most other states, these changes are minimal and consumers will simply be offered a slightly modified plan.

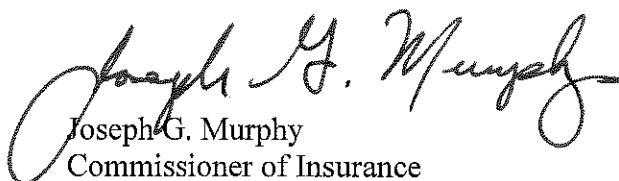
Letter to Gary Cohen  
November 18, 2013  
Page 2 of 2

Since the beginning of health reform in Massachusetts in 2006 through the continued implementation of the ACA today, our success has hinged upon a broad coalition of those inside government as well as consumers, advocates, businesses, insurers and providers, working together to provide near universal coverage while controlling costs and maintaining the high quality health care delivery system that Massachusetts residents have come to expect and deserve.

Through these combined efforts, we are poised to continue to implement the provisions of the ACA. To change course at this time, and delay certain market reforms, could cause confusion and significant market disruption. In order to achieve the stability that our consumers and marketplace need, at this time, we will not exercise the flexibility that has been offered in your letter of November 14, 2013. As such, health insurance issuers will not be permitted to renew or otherwise continue existing policies that do not conform to the requirements of the Massachusetts insurance laws and regulations.

On behalf of the Patrick Administration, I thank you and your colleagues for your efforts to work with us and look forward to our continued work together to bring the additional benefits of the ACA to the residents of the Commonwealth.

Sincerely,

  
Joseph G. Murphy  
Commissioner of Insurance