



CONTACT: Rob McLaughlin
617-538-3529

Massachusetts Association of Health Plans Releases Issue Brief on the Rising Cost of State Mandated Benefits

Boston, MA - September 17, 2025 - The Massachusetts Association of Health Plans (MAHP) today released the latest edition of its *OnPoint: Issue Brief*, highlighting the growing financial strain state-mandated health insurance benefits place on small businesses and working families across the Commonwealth.

The latest issue, *The Impact of State Mandated Benefits on Health Care Premiums in Massachusetts*, finds that more than 50 state benefit mandates add approximately \$2.5 billion to premiums each year, accounting for 17 cents of every premium dollar. With seven new mandated benefit laws passed in 2024, premium payers face an estimated additional \$1 billion in costs in the coming years.

“Massachusetts already has one of the most comprehensive sets of covered health benefits in the nation,” said Lora Pellegrini, MAHP President & CEO. “Yet every new mandate, no matter how small, raises costs for individuals and small businesses, eroding affordability and undercutting the state’s cost-containment goals.”

The brief emphasizes that mandated benefits disproportionately impact the approximately 700,000 residents in the fully insured market, primarily individuals and employees of small businesses who represent just 10% of insured lives in Massachusetts. Large employers, by contrast, can sidestep these costs by self-insuring under federal law. This inequity accelerates the erosion of the small group market, where enrollment has already declined 10% between 2020 and 2022 as claims costs rose 18%.

“Without intervention, the steady accumulation of costly mandates will drive more small businesses out of the fully insured market and make health insurance even less affordable for Massachusetts families,” said Pellegrini. “We must prioritize policies that deliver real affordability and protect access to coverage for all residents of the Commonwealth.”

The full *OnPoint: Issue Brief, Volume XXVII, September 2025* is available at <https://mahp.com/wp-content/uploads/2025/09/onpoint-sep-2025-final.pdf>.

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