



September 17, 2025

Senator Paul Feeney, Chair
Joint Committee on Financial Services
State House, Room 112
Boston, MA 02133

Representative James Murphy, Chair
Joint Committee on Financial Services
State House, Room 254
Boston, MA 02133

RE: 9/17 Joint Committee on Financial Services Legislative Hearing
MAHP Oppose: House Nos. 1076, 1134, 1169, 1216, 1245, 1286, 1295, 1297, 1315, 1337, 3946, 4162, and
Senate Nos. 690, 695, 717, 756, 776, and 824

Dear Chairs Feeney and Murphy,

On behalf of the Massachusetts Association of Health Plans and our 13 member health plans and one behavioral health organization, providing health insurance coverage to nearly 3 million Massachusetts residents, we appreciate the opportunity to share feedback on the following bills before your committee that will raise costs for small businesses and their employees. Health care affordability is the number one challenge facing individuals and small businesses in this state, driven by ever-increasing prices for prescription drugs, hospitals and providers. Without action to address the key cost drivers, the Commonwealth cannot make health care more affordable. We offer our feedback below.

State-Mandated Benefits Increase the Cost of Care and Disproportionately Impact Small Businesses
House Nos. 1076, 1134, 1169, 1216, 1245, 1286, 1295, 1297, 1315, 1337, and 3946, and Senate Nos. 690, 695, 717, 756, 776, and 824 would increase health care premiums for insured members by expanding the number of mandated health benefits and limiting cost sharing on the mandated services. Massachusetts state law already mandates that fully insured health plans provide coverage for 50 specific services, treatments, supplies and practitioners. These mandated benefits increase the cost of health insurance coverage in the merged market and remove flexibility in employer product design. In January 2022, CHIA calculated that existing state mandated benefits account for \$2.47 billion in health care spending annually, representing 17.3% of total commercial premiums paid in 2018. State mandates apply to fully insured policies only, specifically individuals who purchase coverage on their own or receive it through a small or medium-sized business. Due to preemption of ERISA, self-insured plans are not required to provide state mandated benefits. Therefore, the addition of new costly mandates encourages more employers to self-insure and avoid benefits required by the state, drawing membership from the small group market. As more employers self-insure, the costs of state laws mandating specific benefits and services impact an increasingly smaller portion of the privately insured marketplace.

Many of these bills would also eliminate or limit cost sharing for a broad range of services. MAHP and our member health plans recognize the challenges that employers and consumers face with the rising costs of health care. Health insurance premiums and medical costs are inextricably linked and the major contributing factor to the increases in premiums has been the rising cost of medical services charged by providers. Various cost-containment tools, including tiered and select networks, health savings accounts paired with deductibles, and different levels of cost-sharing such as copayments and coinsurance, are essential to managing health care costs

and keeping monthly premiums as low as possible. Restricting or limiting cost sharing for selected benefits would eliminate the ability for employers and consumers to select health plans with these cost containment tools, increasing monthly premiums for all consumers and putting an additional financial strain on small businesses and working families.

In August 2002, the Massachusetts Legislature adopted a measure that requires an independent analysis examining the cost and efficacy of all proposed mandated health benefits. The analysis, now conducted by CHIA, has been working well, providing stakeholders with a more complete picture of the financial impact and clinical appropriateness of new mandates. Given the potential financial impact these mandated benefit bills present, we recommend they be sent to CHIA for review.

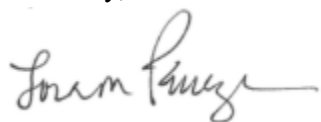
Cost estimates on several of these bills have been developed through recent analysis and are outlined here:

- **House No. 1295 and Senate No. 695** would mandate health plans in Massachusetts to provide coverage for services performed by licensed athletic trainers. The 2021 CHIA mandated benefit review estimates that the bills will result in an additional \$4.9 million annual increase to health insurance premiums for small businesses and consumers, for a total of **\$23.3 over five years**.
- **Senate Bill 756** would mandate coverage for the cost of one hearing aid per hearing-impaired ear up to \$2,000 for each hearing aid every 36 months. Additionally, House Bill 3946 would mandate health plans to cover the cost of 1 hearing aid per hearing-impaired ear up for each hearing aid every 36 months. Massachusetts law already mandates that health plans provide coverage to children 21 years of age or younger for expenses incurred for the cost of one hearing aid per hearing impaired ear up to \$2,000 for each hearing aid every 36 months. A 2021 mandated benefit review conducted by CHIA found that expanding mandated coverage under Senate Bill 756 will significantly increase health care costs in Massachusetts, resulting in a \$53.9 million annual increase to health insurance premiums, for a total of **\$254.69 million over five years**.
- **House No. 1286** would increase premiums for insured individuals and small businesses by prohibiting cost sharing for colorectal and breast cancer diagnostic screening procedures such as colonoscopies, sigmoidoscopies, and mammograms. These services are broadly covered by health plans when medically necessary to evaluate an abnormality that is seen or suspected from a screening examination, or detected by another means of examination, or when an abnormality may be suspected based on the medical history or family medical history of the individual. A 2022 CHIA review estimated that excluding diagnostic examinations from copayments, coinsurance, and deductibles for mammograms alone will increase monthly premiums for all insured residents by up to \$9.2 million a year, for a total of **\$41.67 million over five years**.

For the reasons above, **we oppose House Nos. 1076, 1134, 1169, 1216, 1245, 1286, 1295, 1297, 1315, 1337, 3946, and 4162, and Senate Nos. 690, 695, 717, 756, 776, and 824.**

Thank you for the opportunity to share our concerns. Please do not hesitate to contact me for additional information or to discuss these bills further.

Sincerely,



Lora M. Pellegrini, President and CEO
Massachusetts Association of Health Plans