NOTICE OF PUBLIC HEARING

Under the provisions of M.G.L. c. 30A and pursuant to the regulatory authority found in M.G.L. ch. 176Q, § 3, the Commonwealth Health Insurance Connector Authority ("Connector") will conduct a public hearing for the purpose of gathering comments, ideas, and information concerning the following proposed regulations:

956 CMR 13.00 Risk Adjustment Procedures for Small and Non-Group Market

The purpose of the proposed regulations is to establish a procedure for a risk adjustment program for the small and non-group health insurance market. These regulations will implement the Connector's responsibilities to conduct a risk adjustment program as established by Mass. Gen. Laws, ch. 176Q, § 3(v). Risk adjustment is a permanent risk mitigation measure that applies to all health insurance carriers that offer health insurance plans in the small and non-group market. Risk adjustment is a requirement of federal law, as stated in 42 U.S.C. § 18063.

Scheduled Hearing Date and Location:

Friday, March 6, 2015, 10:00 a.m. (Registration Begins at 9:30 a.m.)
Commonwealth Health Insurance Connector Authority
100 City Hall Plaza
5th Floor Conference Room
Boston MA 02108

These proposed regulations were approved by the Connector Board on December 11, 2014 and filed with the Secretary of State on or before December 24, 2014. A copy of the proposed amended regulations and hearing rules may be obtained from the Commonwealth Health Insurance Connector Authority, 100 City Hall Plaza, 6th Floor, Boston, MA 02108 during normal business hours or on the web at [www.mahealthconnector.org](http://www.mahealthconnector.org), through the hyperlink to “Rules & Regulations,” which can be accessed under the “About” tab. All persons desiring to be heard on these matters should appear at the designated place and time. Written comments in advance of the hearing and at the hearings are welcome and if mailed, should be sent to the same address - Attention to Edward DeAngelo: Public Comments. Or emailed to connector-legal@state.ma.us. Written Comments will be accepted until March 6, 2015 at 4 P.M.
SMALL BUSINESS IMPACT STATEMENT

This statement, in accordance with Mass. Gen. Laws, ch. 30A, §§ 2 and 5, accompanies the filing by the Commonwealth Health Insurance Connector Authority ("Connector") of proposed regulations at 956 CMR 13.00.

The purpose of the proposed regulations at 956 CMR 13.00 is to establish a procedure for a risk adjustment program for the small and non-group health insurance market. These regulations will implement the Connector's responsibilities to conduct a risk adjustment program as established by Mass. Gen. Laws, ch. 176Q, § 3(v). Risk adjustment is a permanent risk mitigation measure that applies to all health insurance carriers that offer health insurance plans in the small and non-group market. Risk adjustment is a requirement of federal law, as stated in 42 U.S.C. § 18063.

Risk adjustment will directly affect only health insurance carriers. None of these carriers is a small business. As such, the proposed regulations at 956 CMR 13.00 will not directly impact small businesses. The risk adjustment process may indirectly affect rates charged by carriers for health insurance. It is anticipated that risk adjustment will equalize the variation in risk among carriers, and therefore will result in less variation in rates charged by carriers in the non-group and small group market. Because small businesses may purchase health insurance for employee groups in the small group market, this change may provide a benefit to small businesses.

In light of the foregoing,

- There are no reporting, record-keeping, or other administrative costs required of small businesses for compliance associated with these amendments;
- The appropriateness of performance standards versus design standards is not applicable;
- There are no regulations of this agency or any other state agency which may duplicate or conflict with the proposed regulations; and
- Analysis of whether the proposed regulations are likely to deter or encourage the formation of new business in the state is not applicable.

Submitted by:

[Signature]
Edward DeAngelo, General Counsel
Commonwealth Health Insurance Connector Authority

12-22-14
Date