

Massachusetts Health Care Reform: Opportunities for the Employer Community to Provide Input

The Massachusetts Division of Health Care Finance and Policy (the "Division") is holding consultative sessions on June 20 and 21 related to the recent health care reform legislation. The Division is seeking input from employers and other interested parties in advance of the Division's October 1, 2006 deadline for issuing regulations to implement three provisions of the legislation: the Employer Fair Share Contribution, the Free Rider Surcharge, and the Health Insurance Responsibility Disclosure requirement.

By way of summary, these provisions require the following:

- (1) The Employer Fair Share Contribution requires "non-providing employers" that do not "make a fair and reasonable premium contribution" to pay up to \$295 per employee annually to fund health care costs of uninsured workers.
 - Applies to employers with "11 or more full-time equivalent employees"
 - Employee defined as an individual employed "for at least one month"
- (2) The Free Rider Surcharge requires "non-providing" employers that do not "offer or arrange for" employer-sponsored insurance to pay a surcharge for the health care costs paid by the state for its employees and their dependents.
 - Does not apply to employers that employ "not more than 10"
 - Exempts the first \$50,000 of free care services from the surcharge
- (3) The Health Insurance Responsibility Disclosure (HIRD) requires "every employer and employee doing business in the Commonwealth" to complete and sign a form, under oath, containing information about health insurance. Employers will be required to report on whether they offer and/or contribute toward employer-sponsored insurance. Both employers and employees will be required to report whether the employee accepted or declined the insurance, and whether the employee has alternative coverage.

Please [click here](#) for access to the Ropes & Gray April 17, 2006 Client Alert on the legislation for more details about these provisions.

The Division states that it is seeking input at the sessions specifically related to the following:

- Definition of "employee" for each provision - including part-time employees, independent contractors, seasonal employees, temporary employees, and employees of more than one employer;
- Definition of "fair and reasonable premium contribution" for Fair Share Contribution; and
- Administrative concerns about implementation of the HIRD requirement.

These consultative sessions will give the employer community an opportunity to identify issues for and provide input to the Division before it drafts regulations and also to hear first-hand if the Division has any comments on these important provisions.

The Boston session will take place from 2-4:30 p.m. on Wednesday, June 21 at the Division's offices, Two Boylston Street, 5th Floor. Two other sessions will be held, one on Tuesday, June 20 in Springfield and one on Wednesday, June 21 in West Barnstable. Additional information about those sessions is available on the Division's website.

Individuals are permitted to testify during the consultative sessions; individuals who pre-register with the Division will be permitted to speak first. The Division will also be accepting written testimony on these issues through Friday, June 23. All pre-registration requests and written testimony should be directed to:

Corine Peach

Division of Health Care Finance and Policy

Two Boylston Street, 5th floor

Boston, MA 02116-4704

corine.peach@state.ma.us

(617) 988-3126 Voice

(617) 727-7662 Fax

(617) 988-3175 TTY

<http://www.mass.gov/eohhs>

Contact Information

For further information on these issues or to provide input through Ropes & Gray, please contact:

Harvey Cotton

617-951-7272

harvey.cotton@ropesgray.com

Peter Ebb

617-951-7457

peter.ebb@ropesgray.com

Tim McCrystal

617-951-7278

timothy.mccrystal@ropesgray.com

Dan Roble

617-951-7476

daniel.roble@ropesgray.com

