



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

ROSALIN ACOSTA
SECRETARY

RICHARD A. JEFFERS
DIRECTOR

**FAQ's - Updates in Employer Health Care Contributions and Experience Rate
Schedule Adjustments for 2018 – 2019**

1. Q: What is the reason for the Employer Medical Assistance Contribution Supplement?

A: In recent years, Massachusetts has seen an increase in health care coverage from employer-sponsored insurance to publicly-subsidized coverage, increasing the cost to taxpayers. The shift from commercial coverage to public coverage has contributed to significant growth in MassHealth spending. The Administration has proposed a comprehensive package of reforms to attain a sustainable MassHealth program that are currently under review by the legislature. The time limited increase in the Employer Medical Assistance Contribution and additional supplement will help to offset the costs for employees on subsidized coverage while longer-term reforms are established and implemented.

2. Q: What is the Employer Medical Assistance Contribution Supplement?

A: The Employer Medical Assistance Contribution Supplement is a temporary contribution that applies to employers with more than five employees in Massachusetts who are non-disabled and either obtain health insurance from MassHealth (excluding the premium assistance program) or receive subsidized coverage through the Massachusetts ConnectorCare program.

3. Q: Which employers are responsible for the Employer Medical Assistance Contribution Supplement?

A: The Employer Medical Assistance Contribution Supplement applies to employers with more than five employees in Massachusetts whose non-disabled employees either obtain health insurance from MassHealth (excluding the premium assistance program) or receive subsidized coverage through the Massachusetts ConnectorCare program.

4. Q: How is the Employer Medical Assistance Contribution Supplement Calculated?

A: The amount an employer pays is based on the wages it pays to those of its employees who receive health insurance coverage through MassHealth (excluding the

premium assistance program) or the Connector. For each such employee, an employer pays 5% of the employee's annual wages, subject to an annual wage cap of \$15,000, for a maximum annual liability of \$750 per affected employee.

5. Q: How much is the Employer Medical Assistance Contribution Supplement per employee?

A: An employer can be liable for a maximum of \$750 per affected employee per year. The 5% contribution applies to a wage base of up to \$15,000.

6. Q: Do employers pay differently for part-time employees who are on MassHealth (excluding the premium assistance program) or who receives subsidized coverage through the Massachusetts ConnectorCare?

A: Because the calculation is based on wages (up to \$15,000), not hours worked, an employer with more than five employees is responsible for each employee on MassHealth (excluding the premium assistance program) or receiving subsidized coverage through the Massachusetts ConnectorCare, regardless of whether the employee is part- or full-time.

7. Q: How can employers determine if DUA's calculation of their Supplement matches their records?

A: Information will be available online for each employer after the Employer Medical Assistance Contribution Supplement has been calculated.

8. Q: How will an employer pay the Supplement?

A: Any required Employer Medical Assistance Contribution Supplement payments owed will be added to the statement showing the employer's Unemployment Insurance liability.

9. Q: When will the Employer Medical Assistance Contribution Supplement begin and how long will the program be in effect?

A: The Supplement will be in effect beginning January 1, 2018, and will remain in effect through December 31, 2019. Employers will see the charge on their first quarter statements in April 2018.

10. Q: When will the Employer Medical Assistance Contribution Supplement begin?

A: The Supplement will be in effect beginning January 1, 2018, through the end of calendar year 2019. Employers will see the change on their first quarter statements in April 2018.

11. Q: When will draft regulations be available and how can I submit comments?

A: DUA expects to have draft regulations available for review in early November. Before implementing regulations, DUA will conduct listening sessions in locations around the state.

12. Q: How is my current Employer Medical Assistance Contribution impacted by the change in law?

A: The current Employer Medical Assistance Contribution rate is 0.34% up to the annual wage cap of \$15,000, with a potential maximum cost of \$51 per employee per year. For the wages paid in the years 2018 and 2019, the EMAC contribution will temporarily increase to 0.51% up to the annual wage cap of \$15,000, which increases the potential maximum cost per employee to \$77 per employee per year.

13. Q: How is my unemployment insurance experience rate impacted by the change in law?

A: To offset costs of the updated contribution, modifications were made to the unemployment insurance schedule, effectively reducing scheduled increases to employer contributions for 2018 and 2019. The previously scheduled automatic jump from schedule “C” to schedule “F” will be replaced with the following:

- The experience rates for calendar year 2018 will be a one level increase to schedule “D”, and,
- The experience rate for calendar year 2019 will be another one level increase to schedule “E.”

14. Q: How long must an employee be receiving health insurance through MassHealth (excluding the premium assistance program) or the Connector for an employer to be responsible for the EMAC supplement contribution?

A: An employer is subject to the EMAC Supplement for a quarter if one or more of its employees received health insurance coverage either through the MassHealth agency or through ConnectorCare for a continuous period of at least fifty-six days (8 weeks).

15. Q: Is there a minimum amount of wages earned per quarter, per employee, for an employer to be responsible for the EMAC supplement contribution.

A: Employees must make a minimum of \$500 per quarter for an employer to be responsible for contributing to the EMAC supplement.

For all other questions, please email EMACQuestions@MassMail.State.MA.US.