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**DIVISION OF HEALTH CARE FINANCE AND POLICY
ADOPTS NEW 'FAIR SHARE' REGULATIONS**

BOSTON – The Massachusetts Division of Health Care Finance and Policy (HCFP) announced today that it has adopted revised Employer Fair Share regulations that require employers to make a fair and reasonable contribution toward their employees' health insurance coverage or pay a fee to the state. The state's final regulations were designed following input given by advocates, businesses and consumers at a public hearing on September 5.

Under Massachusetts' 2006 landmark health care reform initiative, employers who did not make a "fair and reasonable" premium contribution to employer-sponsored insurance were liable for a \$295 annual fee per employee. The original regulations exempted employers who either (1) had at least 25% of their full-time employees enrolled in the employer's group health plan, or (2) offered to contribute at least 33% toward the premium cost for a group health plan for full-time employees that had worked at least 90 days.

The revised regulations—which take effect on January 1, 2009 to allow businesses additional time to prepare—maintain the existing "or" test for small firms with 50 or fewer full-time equivalent employees. Companies with more than 50 full-time equivalent employees will be required to meet both tests. In addition, in recognition of the contributions made by firms with high percentages of eligible employees enrolled in group plans, HCFP will also exempt firms with more than 75% of its full-time employees participating in the employer's group health plan.

"The long-term success of health care reform requires the continued shared commitment of consumers, employers, providers and government to achieve near-universal coverage in Massachusetts," said HCFP Commissioner Sarah Iselin. "While the overwhelming majority of employers are doing their part, these new regulations ensure that all businesses are making a fair contribution to support health reform."

HCFP projects that the new regulations will generate \$30 million in revenue annually, compared to \$7.5 million under the regulations established in 2006. The funds will support government-funded health insurance programs, including Commonwealth Care, MassHealth and the Health Safety Net. The state estimates that approximately 1,100 firms will be liable for the Fair Share Contribution under the new regulations.