

## NOTICE OF PUBLIC HEARING

Pursuant to the provisions of M.G.L. c. 118G and in accordance with M.G.L. c. 30A, as amended, the Division of Health Care Finance and Policy will hold a public hearing on Friday, September 5, 2008 at 10:00 AM at One Ashburton Place, 21st floor, Boston, MA 02108 relative to the adoption of amendments to:

### 114.5 CMR 16.00: Determination of the Employer Fair Share Contribution

The regulation establishes the standard to determine if an employer with 11 or more full time equivalent employees makes a "fair and reasonable premium contribution" to the health insurance costs of its employees that would exempt it from paying a fair share contribution under M.G.L. c. 149, § 188(a). An employer that does not make a fair and reasonable premium contribution is required to pay a per-employee Fair Share Contribution not to exceed \$295 per employer per year, collected by the Division of Unemployment Assistance. The proposed amendments change the test to determine if an employer makes a fair and reasonable premium contribution. The current regulation exempts an employer if it meets either of two tests: (1) at least 25% of full time employees are enrolled in an employer-sponsored group health plan, or (2) the employer offers to contribute at least 33% to the premium cost for its group health plan for its full time employees that work at least 90 days. Under the proposal, employers would be required to meet both tests to be exempt from the fair share contribution requirement. The amendments also implement two statutory changes. Section 27 of Chapter 205 of the Acts of 2007 expanded the definition of employers subject to the fair share contribution requirement by including not only employers subject to the unemployment insurance law but also employers subject to the workers compensation law. In addition, the amendments reflect provisions of the FY 2008 supplemental budget that change the fair share contribution requirement from an annual liability determination basis to a quarterly basis. The amendments also include language to make the Division's regulation consistent with fair share collection regulations promulgated by the Division of Unemployment Assistance, and incorporate policy clarifications that had been promulgated by administrative bulletin.

The effective date of the proposed amendments is October 1, 2008. It is anticipated that annual employer fair share contribution net revenue for Fiscal Year 2009 will be approximately \$45 million as a result of this proposal. The fiscal impact on cities and towns will depend on each municipality's percentage of enrolled employees and premium contribution.

Interested parties are encouraged to submit comments on these amendments. All persons desiring to be heard on this matter are hereby notified to appear at the designated time and place. Persons intending to speak will be afforded an early opportunity to testify if the Division receives notice by 3 PM on September 4, 2008. All others will be heard subsequently. Written comments may be sent to Two Boylston Street, Boston MA 02116. Copies of the regulation are available for inspection and/or purchase at the Division of Health Care Finance and Policy, Two Boylston Street, Boston MA 02116 or you can access them free of charge in the Regulations section of the Division's web site located at [www.mass.gov/dhcfp](http://www.mass.gov/dhcfp).