



Final Chapter 224 Omnibus Regulations Transfer

(VOTE)

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Board of Directors Meeting
May 9, 2013



Recap: Legislative Changes from Chapter 224

- Chapter 224 of the Acts of 2012 (Chapter 224) transferred responsibility to the Health Connector over certain programs and policies that formerly were under the purview of the Division of Health Care Finance and Policy (DHCFP, now the Center for Health Information and Analysis, or CHIA)
 - Student Health Insurance Program (SHIP)
 - Health Insurance Responsibility Disclosure (HIRD)
 - Employer Surcharge for State Funded Health Costs (Free Rider Surcharge); and
 - Employer Fair Share Contribution
- These provisions from Chapter 224 went into effect in November 2012



Recap: Technical Changes Only & Regulatory Process

- Today we are seeking Board approval to complete the technical transfer of these regulations to the Health Connector's "section" of the Code of Massachusetts Regulations (CMR)
- The technical changes include:
 - Renumbering internal cross-references and regulatory/statutory references because the regulations are being moved to the Health Connector's "section" of the code under authority now within the Health Connector's statute
 - Substitution of the Health Connector's name in place of DHCFP throughout
- We presented the proposed draft regulations at the Board meeting on February 28, 2013
 - Held a public hearing on April 9, 2013 at Gardner Auditorium—no parties testified at the public hearing
 - We received one public comment during the comment period which ended on April 19, 2013



Recap: Background on Programs Involved

- Student Health Insurance Program; M.G.L. 15A, § 18
 - Requires every full and part-time student (defined as one participating in at least 75% of the full-time curriculum) enrolled in an institution of higher learning in Massachusetts to participate in a Student Health Insurance Program (SHIP) or have comparable coverage
 - Regulations contain standards for insurance and eligibility
 - Former regulation: 114.6 CMR 3.00
 - New regulation: 956 CMR 8.00
- Employer Surcharge for State Funded Health Costs (Free Rider Surcharge); M.G.L. 118G, § 18B (now M.G.L. 176Q, § 18)
 - Employers with 11+ FTEs in Massachusetts are required to provide a Section 125 plan that allows employees to pay health insurance premiums using pre-tax wages; employers without Section 125 plans whose workers access medical care through the Health Safety Net may be assessed a penalty between 20%-100% of the cost of the medical services that exceed \$50,000
 - Former regulation: 114.5 CMR 17.00
 - New regulation: 956 CMR 9.00



Recap: Background on Programs Involved (cont'd)

- Health Insurance Responsibility Disclosure (HIRD); M.G.L. 118G, § 6 (now 176Q, § 17)
 - Massachusetts employers with 11+ FTEs are (a) required to file Employer HIRD forms reporting on the employer's health insurance offerings and Section 125 plans and (b) to collect and retain Employee HIRD forms from employees that decline to enroll in the employer-sponsored plan offerings or the employer's Section 125 plan
 - Former regulation: 114.5 CMR 18.00
 - New regulation: 956 CMR 10.00
- Fair Share Contribution; M.G.L. 149, § 188
 - Provides an annual assessment of up to \$295 per FTE for an employer with 11+ FTEs that does not make a "fair and reasonable contribution" to its employees' health insurance
 - Former regulation: 114.5 CMR 16.00
 - New regulation: 956 CMR 11.00



Summary: Public Comments & CCA Proposed Response

- Public Comments Received:
 - Received no testimony at Public Hearing
 - Received one written comment during Public Comment period from Alliance for Health Care Sharing Ministries:
 - Requesting additional language to add an exemption from the mandatory Student Health Insurance Program for students who are enrolled in “any health arrangement provided by established religious organizations comprised of individuals with sincerely held beliefs” to Proposed 956 CMR 8.05(2)(b)
- CCA Proposed Response:
 - The requested change by the Alliance for Health Care Sharing Ministries would be considered a substantive change
 - No substantive changes at this time, only technical changes to transfer the authority to the Health Connector



Proposed Board Motion

- We ask that the Board issue a final repeal of the following existing regulations:
 - 114.5 CMR 16.00 (Fair Share Contribution)
 - 114.5 CMR 17.00 (Free Rider Surcharge)
 - 114.5 CMR 18.00 (HIRD)
 - 114.6 CMR 3.00 (SHIP)
- Simultaneously, we ask that the Board issue the following final regulations:
 - 956 CMR 8.00 (SHIP)
 - 956 CMR 9.00 (Free Rider Surcharge)
 - 956 CMR 10.00 (HIRD)
 - 956 CMR 11.00 (Fair Share Contribution)