

Key Points: Massachusetts's State-Based Individual Mandate



Main Takeaway

- ▶ Massachusetts will maintain its own state-based individual mandate, which will continue to require Massachusetts adults to have health coverage that meets state standards. This requirement has been in effect since 2007, and will remain in effect even though the federal government will be changing the federal individual mandate to make the penalty amount for not having coverage zero dollars.

Background

- ▶ Massachusetts has had an “individual mandate” in place since 2007. This mandate requires that most adults carry health insurance coverage affordable coverage that meets state standards available to them. If they don’t satisfy this requirement, adult residents can be subject to a penalty.
- ▶ The individual mandate was created as a part of Massachusetts’s health care reform law, which was passed and signed into law in 2006, and reflects the law’s emphasis on shared responsibility from every sector of the Commonwealth, asking individuals, businesses, and government to contribute to the shared goal of universal coverage.
- ▶ Since it was implemented in 2007, the state’s mandate has remained in place continuously, including during the transition and implementation of the Affordable Care Act (ACA), which included its own version of an individual mandate, starting in 2014.
- ▶ The state mandate will remain in place even as the federal individual mandate penalties for not having coverage are reduced to zero, starting in 2019.

Mandate Details

- ▶ Massachusetts residents who are 18 or older need to have health coverage that meets benefit standards set by the state, which were developed to make sure that the coverage the state was requiring people to carry provided meaningful protection, such as covering prescriptions, behavioral health, maternity care and other services. The standards are called “Minimum Creditable Coverage” or “MCC” standards.
- ▶ Residents are required to maintain coverage if it is considered “affordable” based on a schedule set annually by the Health Connector Board of Directors. The amount that is considered affordable for a given person or family depends on their household income.
- ▶ The penalty for not having coverage that is affordable and meets MCC is based on the monthly premium for the lowest-cost plan available to that person through the Health Connector, and is based on how many months a person does not have coverage. It is dependent, too, on an individual or family’s household income. An individual who has three consecutive months without health coverage triggers the penalty. Penalties for 2018 range from \$22 per month/\$264 per year at the low end of the scale to \$119 per month/\$1,428 per year at the upper end.