



## Massachusetts Health Care Reform Act

### Employer Checklist September 4, 2007

Since we last published our Employer Checklist in July, there have been several new developments under Mass Health Care Reform. This updated checklist highlights some of those developments, specifically as they relate to Section 125 and Health Insurance Responsibility Disclosure (HIRD).

If you are Massachusetts employer or if you employ 11 or more FTE's ("Full time equivalent employees") who work out of a Massachusetts location, you must:

- Offer a qualified group health benefit plan to all eligible full time employees (35 hours per week) or pay a penalty to the state.
- Adopt a Section 125 Plan that meets The Connector's specifications (Benemax will provide clients with such a plan on request.). However, employers are **not** required to file a copy of their Section 125 Plan with The Connector unless specifically requested to do so.
- For employees who are not eligible for your group health plan, offer to deduct premium from paychecks on a pre-tax basis (via your Section 125 Plan) and remit that premium to The Connector. You must also set up a premium remittance account with The Connector.
- Advise employees who are not eligible for your group health plan of their obligation to obtain health insurance no later than 12/1/07 or risk the loss of their personal exemption on their 2007 Massachusetts tax return (Enrollments must be received by The Connector no later than October 10, 2007, in order to be assured of coverage on December 1, 2007.). You may wish to consider referring employees who are not eligible for your group health plan to The Connector: [www.MAhealthconnector.org](http://www.MAhealthconnector.org) or 1-877-MA-ENROLL for more information about their options.
- Obtain and retain HIRD Forms from eligible full time employees who are waiving coverage through your group health benefits plan (not required for employees who waived coverage prior to 7/1/07 *if* you have a signed carrier waiver form from that employee).



- Obtain and retain HIRD Forms from employees who are not eligible for your group health plan and decline to participate in your Section 125 plan. You should obtain these forms from current employees no later than September 30, 2007 and from all new hires within 30 days of employment.
- Provide each employee (above) a copy of his/her signed HIRD Form.
- File online the annual Employer HIRD Form with the Division of Unemployment Assistance (DUA) between October 1 and November 15:
  - Your payroll service may agree to do this for you. Provide them with a copy of the instruction letter that will be sent to all Massachusetts employers by the DUA in September.
  - You must report the percentage of the cost of health benefits that is paid by the employer for each category of employee as of July 1, 2007.
  - You must report the monthly cost for the lowest priced group health plan and for the highest priced group health plan offered to an individual and to a family, again as of July 1, 2007.
  - Note that the monthly cost (above) includes the cost of any self-funded benefits (e.g., The Benemax Wrap) as well as insurance premiums.
  - You must report the Open Enrollment Period for your group health plan.
  - You must report the number of employees who are eligible for your group health plan (using a 35 hour work week, or your plan definition, if lower) *and* the number of employees who were enrolled in your group health plan as of December 31, 2006, March 31, 2007, June 30, 2007 and September 30, 2007.

**If you have any questions or concerns regarding these topics or any other aspects of Massachusetts Health Care Reform, please contact your Benemax Account Executive or our Compliance Officer, Walter G. Hiltz (800-528-1530 x120).**