



## **Mass Health Care Reform Client Update**

### **Health Insurance Responsibility Disclosure**

**July 18, 2007**

On June 20, 2007, the Division of Health Care Finance and Policy issued Emergency Regulations on the Health Insurance Responsibility Disclosure (HIRD) provisions of the Mass Health Care Reform Act. These regulations cover the Employer and Employee HIRD Forms that are required under the Act.

Employers with 11 or more Full Time Equivalent employees (FTE's) must complete an Employer HIRD Form annually and file that form with the Division of Unemployment Assistance. The information must be filed electronically by November 15<sup>th</sup> of each year based on information as of July 1<sup>st</sup> of that year. In addition to providing identifying information, employers will be required to file information about the employer's Section 125 plan, the costs and contribution amounts for its group plan or plans (both individual and family coverage) and the plan's open enrollment period.

Employers with 11 or more FTE's must also obtain signed Employee HIRD Forms from two different groups of employees: (1) From each employee who is eligible to enroll in the employer's group health plan and declines to do so; (2) From each employee who is NOT eligible to enroll in the employer's group health plan and declines to use the employer's Section 125 Plan to purchase a Connector-approved non-group health plan.

First, let's consider the requirements concerning employees who are eligible for your group health plan but who decline to participate. If your most recent open enrollment period ended before July 1, 2007 and you obtained any sort of signed waiver form from those employees who declined coverage, then you do not need to obtain a signed HIRD form until 30 days following your *next* open enrollment date.

However, if you did not obtain any sort of signed waiver from declining employees, you must now obtain a signed HIRD form by July 31, 2007.

You will also need to obtain signed HIRD forms throughout the year from newly eligible employees who decline to be covered under your group plan; you must obtain these forms within 30 days of each employee's initial eligibility date.



Finally, you must obtain a signed HIRD form from each employee who terminates coverage under your group health plan within 30 days of the date coverage ceases.

Second, let's consider the requirements concerning employees who are *not* eligible for your group health plan but who *are eligible* to purchase Connector-approved plans through your Section 125 plan (e.g., part-timers).

If an employee in this category has declined to enroll in your Section 125 plan, you must obtain a signed HIRD form from that employee by September 30, 2007.

Going forward, you need to obtain a signed HIRD form from each newly eligible employee who declines to enroll in your Section 125 plan. We recommend that you obtain this form within 30 days of the employee's date of hire.

The Division has published an Employee HIRD Form which must be used by all affected employees. The form is currently available at <http://www.mahealthconnector.org>.

The employer must provide a copy of each employee's signed HIRD form to that employee and must retain that signed HIRD form for 3 years. If an employee fails to complete a HIRD form, the employer must document "diligent efforts" to obtain that form (and must retain that documentation for 3 years).

A hearing on these Emergency Regulations is scheduled for Wednesday, September 5, 2007 at the Division's offices in Boston.

**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).**