

## ***Increased Employer Medical Assistance Contributions (EMAC) and New Massachusetts Employer Medical Assistance Supplement Effective January 1, 2018***

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**By Chrystine M. Heier, CEBS, LIA  
Principal & Co-Owner  
Sullivan Benefits**

In August we reported on legislation Governor Charlie Baker signed into law in July that imposed **new fees and fines on employers with 6 or more employees**. These new fees and fines take effect January 1, 2018; *they are temporary and scheduled to end in two years* with the purpose of to help offset the State's anticipated \$300 Million increase in costs for MassHealth (Massachusetts' Medicaid program).

Fees and fines effective January 1, 2018 include:

- **Increased Employer Medical Assistance Contribution (EMAC) Maximum; to \$77 per employee per year, from \$51**; the annual wage cap of \$15,000 remains, the contribution rate increases to 0.51% from 0.34%. EMAC subsidizes health care costs for low income individuals and is paid and filed quarterly with the Department of Unemployment Assistance (DUA) via an employment wage report.
- **New Employer Medical Assistance Supplement of up to \$750 per non-disabled employee electing MassHealth (excluding the premium assistance program) or subsidized coverage through the Massachusetts ConnectorCare program instead of employer-sponsored coverage**; the supplement is 5% of the first \$15,000 of annual wages.
  - The supplemental contribution only applies to those employees on state-subsidized coverage.
  - Although it is still unclear; it appears the fine of up to \$750 will be applied to all employees subject to Unemployment Insurance Contributions, *meaning part-time employees will be subject as well*.

The fines will follow Massachusetts Unemployment Contributions and are likely to be payable through the Department of Unemployment Assistance. **Additionally, employers will be required submit Massachusetts Health Insurance Responsibility Disclosure Forms (HIRD forms).**

Further details on filing requirements and the HIRD Form will be forthcoming in the near future; we will report on these details once they have been issued. In the interim, as always, contact any member of the [Sullivan Benefits](#) Team with any questions, comments or requests for more information.

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