

MA Employer Medical Assistance Contribution (EMAC) Supplement

In August 2017, an “Act Further Regulating Employer Contributions to Health Care”(Chapter 63 of the Acts of 2017), was signed into law, which temporarily changed the existing employer medical assistance contribution, modified the unemployment rate insurance schedule and, in addition, created a temporary supplemental contribution. The law was enacted to offset the significant increase in the cost of Medicaid over the last few years (estimated at \$160 million to \$300 million for this year). The Administration has proposed a comprehensive package of reforms to achieve a sustainable MassHealth program that is currently under review by the legislature.

The changes enacted are effective as of January 1, 2018. Any MA employer with more than 5 employees will see a “temporary” rate increase in the required EMAC assessment and an additional required contribution for employees who may be on MassHealth. The following is a summary of the changes:

- The Employer Medical Assistance Contribution (EMAC) was created in CY 2014 after the repeal of the Massachusetts Fair Share Contribution (FSC) requirement. The EMAC applies to employers with more than 5 employees in MA, and is required whether the employer offers health coverage to its employees or not.
 - The current EMAC contribution rate is 0.34% up to the annual wage cap of \$15,000, with a potential maximum cost of \$51 per employee per year.
 - For wages paid in CY 2018 and CY 2019, the EMAC contribution will increase to 0.51% up to the annual wage cap of \$15,000, increasing the potential maximum cost to \$77 per employee per year.
- The Employer Medical Assistance Supplement applies to employers with more than 5 employees in MA, whose non-disabled employees obtain health insurance either from MassHealth (excluding employees with MassHealth coverage as a secondary payer) or subsidized coverage through the MA ConnectorCare program for more than 8 weeks per quarter. Employees enrolled in MassHealth’s premium assistance program will not subject their employer to the supplement contribution.
 - The required employer contribution is 5% of annual wages for each non-disabled employee, up to the annual wage cap of \$15,000 (the maximum payment is \$750 per employee per year).
 - The contribution does not apply to employees who earn less than \$500 in wages per quarter.
- To offset the employer costs of the EMAC and Supplement, modifications were made to the unemployment insurance schedule, reducing scheduled increases to employer contributions for CY 2018 and CY 2019. The previously scheduled automatic jump from schedule “C” to schedule “F” will be replaced with the following:
 - The experience rate for CY 2018 will be a one level increase to schedule “D”, and
 - The experience rate for CY 2019 will be another one level increase to schedule “E”.

The Department of Unemployment Assistance has developed regulations for the implementation of the new contribution, which began January 1, 2018. When employers submit their wages in UI online, the state will identify which employees are subject to the EMAC supplement and will calculate the employer’s liability for each identified employee. Note that the supplement is calculated strictly on wages paid, not hours worked.

- Employers may access employee information through their on-line DUA accounts, subject to strict confidentiality agreements, for the limited purposes of reviewing and appealing EMAC liability. The information obtained can only be used to:
 - Confirm that the individual listed is in fact their employee; and
 - Confirm whether the employee is enrolled in the employer's sponsored insurance (ESI).
- Employers cannot communicate with any employee about their eligibility or enrollment status on a subsidized health insurance program, or use such information to confront, disparate or retaliate against any employee.

If an employer believes an employee was ineligible for subsidized coverage (e.g., the employee is enrolled in the employer's insurance, or is not a MA resident, or has wages which are inconsistent with income eligibility), the employer may appeal by completing the EMAC Employee Information Form and sending the form with any additional documents via secure e-mail to EMACEmployeeData@State.MA.US. Other reasons for appeal may be that the employer does not have 6 or more employees, wages were submitted for independent contractor(s) rather than employees, reported employee wages were not for UI purposes, or employees have not been on qualifying health care for a continuous period of 8 weeks (56 days).

The form must be completed for each individual employee and be submitted to MassHealth no later than 60 days after EMAC Supplement payments are due (for the 1st quarter of CY 2018, ending 3/31/2018, employers must submit forms by June 30th). If MassHealth determines the supplement is not due, the employer will be issued a credit in the following calendar year quarter.

Additional information can be obtained at:

<https://www.mass.gov/service-details/learn-about-the-employer-medical-assistance-contribution-emac-supplement>

Emails can be directed to EMACQuestions@State.MA.US or by phone (617-626-5075).



EMAC Employee Information Form