



MDS Insurance Services, Inc.
Experience The Benefits



Health Care Reform Law

The Commonwealth passed a new Health Care Reform Law in 2006.

The Goals of Health Care Reform Law

There are 4 primary goals with the law:

1. To expand coverage to cover the approximately 500,000 uninsured (in 2006) in Massachusetts and thereby reduce the uncompensated care pool.
2. To provide a healthcare/insurance framework to satisfy the federal government's requirements thereby availing the state to \$385 Million in federal funding.
3. To provide more low cost health insurance options to the buying public.
4. To provide medical data and reporting transparency to empower an educated health care consumer.

Key Terms, Numbers, and Dates:

Section 125 Plans

Every company in Massachusetts must have a 125 plan in place. Whether it is a requirement or not, Section 125 plans save companies and employees money on their insurance costs. Call MDSIS to get yours started today!

The Connector

The state agency that will coordinate the implementation of the health care reform. Agent/Brokers such as MDS Insurance Services will work with the Connector to offer companies and individuals health insurance options and in late 2008, Connector Group health insurance options.

Fair Share Assessment

Employers with 11 or more employees are subject to the mandate. The financial penalty is calculated on 11 plus Full Time Equivalents (FTE) and the employers must make a "fair and reasonable contribution" to health coverage. For 2009, businesses are required to file quarterly.

Free Rider Assessment

The surcharge is tied to employee and dependent use of the free care pool for health services. Companies that do not offer to pay or arrange for the purchase of their employees health insurance. The employer can avoid the Free Rider Assessment by offering a health insurance product and or having a Section 125 plan in place.

Health Insurance Responsibility Disclosure (HIRD)

HIRD is an online administrative form to be completed quarterly (along with the Fair Share Assessment) by all employers and employees doing business in Massachusetts. Documentation of the offer of insurance and Section 125 plans are contained in the form.

Dependent Coverage

Employers are required to cover dependents until the day before their 26th birthday or up to 2 years after the loss of dependent status, whichever ever comes first. The implementation date is January 1, 2007.

Key Dates:

October 1, 2006

Employers with 11 FTE or more must offer health insurance or be subject to an annual fee of \$295 per employee.

January 1, 2007

Dependents up to age 26 or for two years after loss of dependent status will be covered under family plan begins.

May 1 thru July 31, 2007

Open enrollment for individuals and small groups to utilize brokers / connector health insurance products.

July 1, 2007

All Massachusetts Residents are required to have health insurance. If not, enforcement will be seen via tax codes.

July 1, 2007

Individual and Small Group insurance markets will be merged: The effect on each is still to be determined.

December 16, 2008

Connector Small Group plans made available via agents such as MDS Insurance Services Inc.

January 1, 2009

Minimum Creditable Coverage requirements are in place. Employees must be enrolled in a qualified plan that meets MCC requirements. If not, they will be subject to the individual non compliance penalty.

February 15, 2009

MCC and HIRD filing deadline under the quarterly requirements.