February 8, 2018

RE: 430 CMR 21.00 Employer Medical Assistance Contribution Supplement

Dear Ms. Wishart,

Thank you for the opportunity to provide public comment regarding proposed regulation 430 CMR 21.00, Employer Medical Assistance Contribution Supplement.

The Home Care Alliance of Massachusetts is a trade association representing 175 home care provider agencies across the Commonwealth. Our member agencies collectively employ over 30,000 Massachusetts residents, including approximately 20,000 home care aides. Because home care aides are typically part-time workers at an average wage of about $15 per hour, a high percentage of our member agencies’ employees qualify for MassHealth or subsidized coverage through the Health Connector. Based on anecdotal reports, we estimate that approximately 50% of our members’ employees are eligible for MassHealth or subsidized Connector coverage. For some agencies, that figure is as high as 80%.

While our members offer health insurance to their employees, lagging state reimbursement rates for state-contracted services has made it difficult for home care workers to afford employer-sponsored insurance. Thus, we fear that these proposed regulations will disproportionately affect the home care industry.

Taking in account the above background information, we hope the Department of Unemployment Assistance will consider the following changes in your final regulations:

- We propose that the department amends Section 21.04: Non-profit Organizations and Governmental Employers to include an additional exemption for employers who are reliant on government funding for over 75% of their gross revenue.

As previously outlined, many home care agencies who contract with the Commonwealth to provide home care services rely on State reimbursement to pay wages to the workers who deliver care. Thus, with many of these reimbursement rates going unadjusted for nearly ten years, home care agencies have endured an enormous challenge to adequately pay its workforce. Businesses whose inability to adjust wages or insurance benefits as a direct result of years of government neglect in terms of rate adjustments should not be penalized for doing what has been asked of them in encouraging their workers to seek the health care coverage that is affordable to them.
In addition to this recommendation, we remain concerned with the following points which were also raised in a November 27th, 2017 email submitted by me to the department:

- If a worker is employed by multiple employers, does the law allow DUA to assess the fee on a prorated basis, so that the $750 maximum would apply to the individual worker rather than to each company that employs the worker? A typical home care aide may be on the payroll of several agencies during the course of a year – often working part-time for multiple agencies at once. It is possible that DUA could collect much more than $750 for each of these workers over the course of a calendar year.
- Since the assessment applies to the first $15,000 of wages, it will hit employers hardest during the first part of the calendar year. Could DUA spread out the assessments to even out the financial burden across the four quarters?
- Since most employers will be unable to accurately estimate the cost of this assessment, the DUA bills issued in April, 2018 may be much higher than many employers anticipated. Could DUA relax their late fee policy at least for that billing cycle?

The Home Care Alliance of MA appreciates your consideration of our recommendation. I would be happy to speak directly with anyone at DUA about these regulations or convene a small group of our member agencies to share their concerns.

Sincerely,

Tim Burgers
Associate Director
Home Care Alliance of MA