

March 16, 2017

The Honorable Karen E. Spilka  
Chairwoman, Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

The Honorable Brian S. Dempsey  
Chairman, House Committee on Ways and Means  
State House, Room 243  
Boston, MA 02133

Subject: Proposed Employer Health Care Assessment

Dear Chairwoman Spilka and Chairman Dempsey:

The Massachusetts Nonprofit Network (MNN) wishes to express our concerns about the employer health care assessment included in Governor Baker's FY2018 budget. As written, this proposal would unfairly burden many nonprofits that have employees who elect coverage through a spouse's or parent's private insurance plan, Medicare, or the VA. Since alerting our members about this proposal, we have heard from nonprofits across the state, of various size and subsector, expressing concern for how this proposal would impact their organization.

MNN is aware of the growing costs of MassHealth and appreciates the difficulties in budgeting for new investments and funding current initiatives as health care costs consume more of the state budget each year. MNN, and the greater nonprofit sector, has also been supportive of universal healthcare, with many nonprofits throughout the state offering generous health care plans to their employees. However, as currently proposed, this assessment is too broad, too large, and would impact thousands of nonprofits who are doing what we all want them to do – offer quality health insurance plans to their employees.

Nonprofit organizations provide critical services and make each community with which they partner stronger. They also dedicate every dollar received to their missions, and in doing so, run lean. A recent survey of nonprofits around the country found that 52 percent of nonprofits have three months or less of cash readily available and nearly 30 percent ended the prior fiscal year with an operating deficit. Accordingly, nonprofits do not have the means to afford this type of assessment and would be forced to redirect funds from important programs, lay off staff, and potentially serve less people who rely on their services.

**Letter in Opposition to Employer Health Care Assessment  
March 16, 2017**

The Commonwealth's nonprofits should not be unfairly penalized because they have employees who elect health plans provided by a spouse, a parent, Medicare, or the VA. In addition, instituting a new assessment on nonprofits during a time of great uncertainty, at the federal level relating to health care policy and domestic spending, would make it even more difficult for nonprofits to operate at a time when their resources are already severely restrained. This could have a direct and noticeable effect on communities throughout the Commonwealth.

MNN is committed to working with the administration and Legislature on a targeted solution that addresses rising MassHealth costs but does not unfairly burden nonprofits across the Commonwealth. We thank you for your time and attention on this matter and appreciate your continued support of the nonprofit sector.

Sincerely,



Jim Klocke  
Chief Executive Officer  
Massachusetts Nonprofit Network