



November 13, 2017

Secretary Rosalin Acosta
Department of Labor and Workforce Development
One Ashburton Place, Suite 2112
Boston, MA 02108

Richard A. Jeffers, Director
Department of Unemployment Assurance
Charles F. Hurley Bldg.
19 Staniford Street
Boston, MA 02114

Subject: EMAC supplemental draft regulations

Dear Secretary Acosta and Director Jeffers:

The Massachusetts Nonprofit Network (MNN) appreciates the opportunity to offer testimony on the Employer Medical Assistance Contribution supplement (EMAC supplement) draft regulations. The means by which these regulations are drafted will undoubtedly impact nonprofit employers around the Commonwealth. Our testimony raises a few areas of concern and makes three key recommendations we hope you will consider adopting in the final regulations.

MNN is the voice of the nonprofit sector and a statewide organization that brings together all parts of the nonprofit ecosystem—nonprofits, funders, community and business leaders, and elected officials—to strengthen nonprofits and raise the sector’s voice on critical issues. MNN has over 700 nonprofit members, representing nonprofits in every region of the state. Our members come from all subsectors of the nonprofit world, including healthcare, human services, housing, education, and civic engagement.

The temporary EMAC supplement should strike a balance between the need for temporary revenue and ensuring the stability of MassHealth, with a recognition that there are no state or federal requirements to provide health insurance to part-time employees and the reasons employees work part-time vary greatly. As the administration finalizes these draft regulations, we respectfully request three key improvements:

- First, the EMAC supplement draft regulations should only apply to employees who have been employed with an employer for at least two quarters. In essence, this would create a waiting period before the assessment is applied, recognizing

that many employers have high turnover rates. It would also keep the EMAC supplement from being overly complicated to administer.

- Second, employer liability for the EMAC supplement draft regulations, which is currently set to 14 days, should be extended to 8 weeks. By only applying the assessment to employees who are on MassHealth or ConnectorCare for at least 8 weeks, this will avoid employers being unfairly assessed for very short-term stays on those programs.
- Third, many employers in the nonprofit sector employ very part-time employees to run various programs, assist elderly clients, and work as non-medical home health care aides, just to name a few. Many times these employees have multiple employers and their typical weekly hours per employer can be as low as 2 to 4 hours per week. Employer liability for the EMAC supplement for these employment situations should be given special consideration. We would be open to continuing to working with you and your staff to ensure any assessment in these situations strikes the right balance.

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, the way the EMAC supplement is assessed and implemented could force many nonprofits to redirect funds from important programs, lay off staff, and potentially serve less people who rely on their services.

Thank you for the opportunity to provide input on the EMAC supplement draft regulations. In addition, as you continue to consider how best to finalize these regulations, please use MNN as a resource and reach out anytime with questions or as issues arise. Our director of government affairs, Tonja Mettlach, can always be reached at tmettlach@massnonprofitnet.org.

As always, we appreciate your continued support of the nonprofit sector.

Sincerely,



Jim Klocke
Chief Executive Officer
Massachusetts Nonprofit Network