



Buck Comments to Massachusetts Connector on Minimum Creditable Coverage Requirements

The Massachusetts health care reform law that took effect July 1, 2007 mandates that each Massachusetts resident age 18 and older have health coverage that satisfies minimum creditable coverage (MCC) requirements or be subject to tax penalties. Many employers wishing to provide compliant coverage may have difficulty satisfying recently issued MCC regulations. (See our August 4, 2008 [For Your Information.](#)) For that reason, Buck has submitted comments to the Massachusetts Connector, the issuer of the guidance.

Highlights of Buck's Comments

Buck's [comments](#) noted that many plans for national employers would not satisfy the MCC requirements as currently outlined. While employers are not required to offer plans that comply with the MCC requirements, failure to satisfy these requirements will result in employees being subject to tax penalties. We therefore asked the Connector to consider modifications to the regulations and to delay the effective date for employer-sponsored health care coverage to comply. We also requested additional guidance on certain aspects of the regulations.

More specifically, we noted that –

- Additional guidance is needed on the MCC requirements for core and non-core services.
- The final regulations should deem compliance with federal mental health parity requirements as satisfying Massachusetts' MCC requirements.
- The Connector should adopt an actuarial equivalence standard, assessing the overall value of the plan rather than the value of individual provisions, for determining if a plan meets MCC requirements.
- Even if final regulations are issued in early October, employers will not have time to review or revise their plans, communicate any changes and complete open enrollment in time for the January 1, 2009 compliance date. Buck requested that the effective date for employer-sponsored plans be delayed to 2010.

Conclusion

A hearing on the regulation is scheduled for September 9. We will keep you informed of developments regarding these important requirements.

This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.