CRC BENEFITS | THRIVE Workplace Benefits — Dedicated to Development and Success

MASSACHUSETTS

Regulatory Compliance and Resources by State

STATE CONTINUATION OF COVERAGE

Chapter 176, Section 9 of 22 – Small Group Health Insurance/ Continuation of Coverage allows for 18 months of continued coverage under the employer's group plan for any individual that has been insured under the group's policy for at least 39 weeks. If prior coverage was less than 39 weeks, continuation rights must equal the length of time that individual was insured under the group plan.

PAID FAMILY LEAVE

The PFML law covers most Massachusetts employees who have earned at least $5,700 (in 2022) or $6,000 (in 2023) over the past 4 calendar quarters. In addition, you must have earned at least 30 times the benefit amount that you are eligible for. Most Massachusetts employees are eligible for up to 26 weeks of combined family and medical leave per benefit year. You can take leave for a qualifying reason. A qualifying reason is the cause or event that makes you unable to work and eligible for Paid Family and Medical Leave benefits.Your benefits payment is based on your individual average weekly wage, the state average weekly wage for Massachusetts workers, your benefit year, and the type of leave you are taking. In 2022, the maximum weekly benefit is $1,084.31. In 2023, it will increase to $1,129.82.

Qualifying reasons are:

- Caring for your own serious health condition as certified by a healthcare provider, including illness, injury, or pregnancy/childbirth (up to 20 weeks of paid medical leave)
- Caring for a family member with a serious health condition as certified by a healthcare provider, including illness, injury, or pregnancy/childbirth (up to 12 weeks of paid family leave)
- Bonding with your child during the first 12 months after birth, adoption, or placement (up to 12 weeks of paid family leave)
- Caring for a family member who was injured serving in the armed forces (up to 26 weeks of paid family leave)
- Managing affairs while a family member is on active duty (up to 12 weeks of paid family leave)

STATE EMPLOYER REPORTING

Employers with operations do not need employee-level details in their state-level filings like is necessary in annual ACA submissions to the IRS.

Massachusetts's mandate requires employers to file by December 15th of the reporting year. Employers must also issue Form 1099-HC to their employees and report information to the state Department of Revenue. Failing to comply with 1099-HC requirements could be subject to a penalty of $50 per employee, with a maximum of $50,000.

PAID SICK LEAVE

Massachusetts employers with 11 or more employees must provide paid sick leave; employers with ten or fewer employees must provide unpaid sick leave. All employees of a covered employer are eligible for sick leave, including full-time, part-time, temporary, and seasonal employees. Sick leave begins to accrue on the employee's first day of work. However, employees may not use sick leave until they have worked for the employer for 90 days. Sick leave does not need to be paid out when an employee leaves employment.

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How Much Sick Leave Do Employees Get in Massachusetts?

Employees can receive a maximum of 40 hours of sick leave each year. Employees must accrue sick leave at a rate of one hour for every 30 hours worked. Up to 40 hours of sick leave must carry over from year-to-year, although employees are not entitled to use more than 40 hours of sick leave each year.

Alternatively, employers can choose to provide 40 hours of sick leave to their employees at the start of each year. In that case, they do not have to worry about accrual or carry-over rules. Any sick leave left at the end of the year expires.

If an employer already provides 40 hours of paid vacation or PTO, it does not need to provide additional time off for paid sick leave. However, the vacation or PTO policy must provide the same rights as the state's paid sick leave law.

For What Reasons Can Paid Sick Leave Be Used?

Employees may use sick leave for the following purposes:

- the employee's own health condition
- the health condition of the employee's "family member" (see below)
- to attend routine medical appointments for the employee or a family member, or to deal with the psychological, physical, or legal effects of domestic violence against the employee or a dependent child.

Massachusetts defines "family member" as the employee's spouse, child (including an adult child), parent, or parent-in-law. Sick leave may be used for home care, medical diagnosis and treatment, preventive care, and routine medical appointments.

Employees may use sick leave in hourly increments, or in shorter increments if already allowed by the employer's payroll system for other types of leave. Employers cannot require employees to take sick leave in bigger increments than the employee needs—except where the employer has to hire another employee to fill the employee's shift. Employers cannot require employees to find their own replacements or make up the missed hours at a different time.

MANDATORY 401K

- Each eligible employer would be required to automatically enroll its eligible employees in the IRAP. However, an eligible employer is exempted to the extent that it offers each of its eligible employees the opportunity to participate in a qualified plan or a payroll deduction IRA.
- The IRA program would:
  - Allow eligible individuals employed for compensation in the state to contribute to an individual account established under the program through payroll deduction.
  - Provide for automatic enrollment of employees, but allow employees to opt out of the plan.
  - Have a default contribution rate set by the Board by rule.
  - Offer default escalation and contribution levels that can be increased or decreased within the limits allowed by the IRC.
  - Pool accounts established under the plan for investment purposes.
  - Be professionally managed.
  - Allow the use of private sector partnerships to administer and invest the contributions to the plan under the supervision and guidance of the Board.
  - Be invested or reinvested by the Treasurer — or may be invested in whole or in part under contract with the PRIM Board or private money managers, or both, as determined by the Board.
  - Provide for the program's administration "in an efficient and cost-effective manner".
  - Be structured so that it is not governed by ERISA.

SURPRISE BILLING

The new state law addresses balance-billing in non-emergency scenarios. The state law complements the federal one, but it merely stipulates that a healthcare provider divulge whether they partake in their patient's insurance plan a week before carrying out a non-emergency procedure.

According to Mathur, the state law also mandates the following:

- Providers to disclose if they are out-of-network prior to the patient's admission.
- Providers, upon request, to share the amount that the patient will be charged for admission, a procedure, or a service, including costs for services done by an out-of-network provide.
- Providers to notify patients if the patient is being referred to an out-of-network provider.

- Prohibits providers from billing insured patients in excess of the typical, applicable coinsurance, copayment, or deductible that would have been charged if services were provided by an in-network provider.
- Noncompliance with the state law comes with a $2,500 penalty per violation.

RESOURCES

https://www.mass.gov/orgs/division-of-insurance