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HOUSE No. 3828

The Commonwealth of Massachusetts



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— ATTACHMENT F —

July 17, 2017.

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Sections 16, 17, 60-67, inclusive, 93, 110, 111, 122, 146, 147 and 150 of House Bill No. 3800, "An Act Making Appropriations for the Fiscal Year 2018 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

These sections establish a temporary, two-pronged approach to an employer contribution that builds off of the existing employer medical assistance contribution (EMAC) and is expected to generate \$200 million in revenue in Fiscal Year 2018. The employer contribution represents an important component of a larger set of reforms necessary to attain a sustainable MassHealth program and a balanced budget in Fiscal Year 2018.

These sections, however, must not be considered in isolation of other measures needed to manage spending in the MassHealth program. Absent other reforms, this proposal imposes an unfair burden on Massachusetts' employers without making the structural reforms essential to MassHealth's long-term sustainability. Without further action, MassHealth growth will continue to crowd out other budget priorities and corrode the commercial insurance market.