

# Assessments, Taxes, and Fees on Health Plans & the Impact on Massachusetts' Businesses



## What are the existing assessments, taxes, and fees on health plans in Massachusetts?

Between FY03–FY24, **Massachusetts health plans have spent around \$5.3 billion dollars to fund Massachusetts state programs**. Health plans in Massachusetts are **assessed annually** to fund a variety of state agencies and health care trust funds, including Health Safety Net Trust Fund, state agencies operations including Division of Insurance, Health Policy Commission, Center for Health Information and Analysis, Vaccine Purchase Trust Fund, Child Psychiatry Access Project and the latest Behavioral Health Assessment to support state efforts for behavioral health access and crisis intervention services in the Commonwealth. In addition, **Massachusetts collected \$692 million in insurance premium taxes in 2024**.

These taxes, fees, and assessments **add to costs and are built into premiums** paid by employers and consumers. Imposing new assessments on health plans, on top of substantial existing assessments, will increase health care costs for employers, exacerbating the challenge they face to make high-quality, efficient, equitable, and more affordable coverage available to their employees.

## 2025–2026 Legislative Session

This legislative session, there have been **17 bills** filed that would assess health plans over half a billion dollars to provide funding for hospitals, providers, or other sectors of the health care system, including:

- A \$400 million assessment on health plan risk-based capital (RBC), money set aside by health plans to cover unanticipated member claims, to be distributed to hospitals, money set aside by health plans to cover unanticipated member claims – *Senate Bill 759/House Bill 1181* (Finegold/Gregoire)
- An annual assessment on plans to fund the **Health Safety Net Trust Fund** shortfall, adds a supplemental surcharge to the total surcharge, assessing payors 50% of the HSN shortfall. Health plans are already annually assessed for one third of the HSNTF shortfall – *Senate Bill 917/House Bill 1354* (Velis/Cahill)
- Inserts surcharge payors into the HPC and CHIA assessments at a level no less than 30% and no more than 40% of the amount appropriated by the general court – *Senate Bill 840/House Bill 1357* (Collins/Day)

# Talking Points

## Health Care Costs For Employers

Imposing new assessments on health plans, on top of substantial existing assessments, will increase health care costs for employers, further exacerbating the challenges they face in making high-quality, affordable, and equitable health care coverage available to their employees particularly in these difficult economic times.

## Premium Costs

The addition of new assessments on health plans will add to premium costs, making health care less affordable for employers, individuals, and families, essentially adding a new tax on employers to subsidize hospital finances.

## Affordability

Affordability is the most pressing and urgent issue in health care today. Keeping health care affordable is the best way to ensure as many people as possible will have health insurance coverage and access to health care services.