

Massachusetts Uncompensated Care Pool Surcharge

What is the pool?

The Massachusetts Uncompensated Care Pool is a fund created by the state of Massachusetts to finance health care for the low income and uninsured within that state. The Pool was started in 1998 and is funded by a surcharge tax on all health services rendered at a hospital or ambulatory surgical center in the state of Massachusetts. All health insurance plans, including insured and self funded, are required by law to pay the tax. This state law is not preempted by ERISA for a self funded plan.

Registration into the pool

Payors of health services were originally identified by a listing provided to the state by Hospital and Ambulatory Surgical Centers in the state of Massachusetts. Those payors were provided with a notice of the law and a registration form at the inception of the Pool. New payors are identified at the point they make a payment to a Hospital or Ambulatory Surgical Center in the state of Massachusetts and provided with a notice of the law and registration form by the provider.

The tax is a surcharge tax on the dollar value of claims incurred at hospitals and ambulatory surgical centers in the state of Massachusetts. If no claims are incurred in the state, then no surcharge tax is due. Assessment rates are adjusted annually by the state of Massachusetts. The rate is revised each year based on the prior year's receipts and payments from the Pool. The rate for 2009 is 2.0%.

Midwest Security Administrators provides filing services for the Massachusetts Pool within the standard administrative fee. Any amount due is processed as a claim the group must fund. There is no additional charge for this service.

Filing Status

Filing and payments to the Massachusetts Uncompensated Care Pool are required to be done on a monthly basis.

Stop-Loss Coverage

In general, stop-loss carriers will consider the surcharge tax as a covered claim under the stop-loss policy.

Coverage for the claim surcharge under a stop-loss policy will be based on the terms of the policy (e.g. incurred/paid), which can result in surcharge tax claims falling outside the coverage terms of the policy. That risk is limited to the tax due from the prior month in a monthly filing scenario.

Administrative Services Provided

Midwest Security Administrators provides filing services for the Massachusetts Uncompensated Care Pool within the standard administrative fee. Any claim surcharge due is processed as a claim the group must fund. There is no additional charge for this service.

