



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

March 11, 2013

Quick Links

[MA-ACA Website](#)



These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Announcements

Announcement of Availability of Funds for Support for Expectant and Parenting Teens, Women, Fathers and Their Families, §10211- 10214. Announced February 15, 2013. Funding is available to develop and implement programs to improve the educational, health and social outcomes of expectant and parenting teens and their families. States and Indian tribes or reservations are eligible to apply. Applicants can apply for funding to: 1) provide support for expectant and parenting teens in institutions of higher education; 2) provide support for expectant and parenting teens in high schools and community service centers; 3) improve resources for all pregnant women who are victims of domestic violence, sexual violence, sexual assault or stalking; or 4) increase public awareness of services and supports available for expectant and parenting teens. \$24M in 32 awards is available. Applications are due April 10, 2013.

The announcement can be viewed at:

<https://www.grantsolutions.gov/gs/preaward/previewPublicAnnouncement.do?id=16526>

Grant Activity

On February 20, 2013, CDC awarded \$110,000 to the Department of Public Health for a Emergency Medical Services for Children (EMSC) State Partnership Grant under

ACA §5603. Funding is available to states to help improve and expand upon their ability to reduce pediatric emergencies.

State Partnership grants are designed to help states integrate research-based knowledge and state-of-the-art systems into existing healthcare systems. DPH will use the funds to strengthen emergency care for children by providing low-cost pediatric educational offerings to EMTs, supporting pediatric instructor development, engaging with School Health, and working with the State Child Fatality Review Team to reduce childhood injuries and deaths.

The project narrative can be viewed on our website under the Grants and Demonstrations section at: [Narrative](#)

2/20/13 The Executive Office of Health and Human services (EOHHS) submitted a Connecting Kids to Coverage Outreach and Enrollment Grant to HHS under ACA §10203. Funding is available for conducting programs for families to understand the new application and enrollment system under the ACA for children eligible for Medicaid and CHIP. If awarded, this grant will assist EOHHS in implementing a statewide train-the-trainer program to equip front line outreach and enrollment staff (such as assisters and navigators) with the skills and knowledge to support, coach, and empower consumers to manage their own and their children's health insurance new enrollment and re-enrollment processes.

The grant abstract can be viewed on our website under the Grants section at: [Grant Abstract](#)

For more information about ACA grants awarded to and grant proposals submitted by the Commonwealth, visit the Grants page of the Massachusetts National Health Care Reform website at: [Grants](#)

Guidance

3/4/13 CMS filed a notice of extension to a rule "Medicare Program: Extension of the Payment Adjustment for Low-volume Hospitals and the Medicare-dependent Hospital Program Under the Hospital Inpatient Prospective Payment Systems; Acute Care Hospitals, Fiscal Year 2013." The rule implements portions of the following ACA sections: 3124, 3125 and 10314.

The notice announces changes to the payment adjustment for low-volume hospitals and to the Medicare-dependent hospital (MDH) program under the hospital inpatient prospective payment systems (IPPS) for FY 2013 in accordance with sections 605 and 606, respectively, of the American Taxpayer Relief Act (ATRA) of 2012. The ATRA extends, for FY 2013, the temporary changes in the low-volume hospital payment policy provided for in FYs 2011 and 2012 by the ACA. The provisions described in the notice are applicable for discharges on or after October 1, 2012 and on or before September 30, 2013.

Read the rule (which was published in the Federal Register on March 7, 2013) at: <http://www.gpo.gov/fdsys/pkg/FR-2013-03-07/pdf/2013-05263.pdf>

3/1/13 The U.S. Office of Personnel Management (OPM) issued a final rule "Patient Protection and Affordable Care Act: Establishment of the Multi-State Plan Program for the Affordable Insurance Exchanges." The final rule implements the Multi-State Plan Program (MSPP) under ACA §1334 which requires the OPM, which administers the Federal Employees Health Benefits Program (FEHBP), to contract with at least two Multi-State Plans (MSPs) on each of the Affordable Insurance Exchanges.

The MSPP is intended to promote competition in the insurance marketplace and help ensure

individuals and small employers have more high quality, affordable health insurance plans from which to choose beginning in 2014. An MSPP issuer may phase in the States in which it offers coverage over four years, but it must offer MSPs on Exchanges in all States and the District of Columbia by the fourth year in which the MSPP issuer participates in the MSPP. Health insurance issuers who wish to offer MSPs will complete an application. Although the MSPP is a federal program it will offer products through the state-level exchanges. In addition to compliance with the ACA's requirements that apply to all **qualified health plans** (QHPs), MSP's must also comply with applicable FEHBP requirements and be licensed by the states in which they do business. Under the ACA, OPM will negotiate a contract with each multi-state QHP in order for that plan to be certified for participation in that state's Exchange. QHPs are health plans that have been certified by an Exchange, provide essential health benefits (§1301) and follow established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts).

Read the proposed rule (which was published in the Federal Register on December 5, 2012) at: <http://www.gpo.gov/fdsys/pkg/FR-2012-12-05/pdf/2012-29118.pdf>

Read the final rule (which was published in the Federal Register on March 11, 2013) at: <http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04954.pdf>

3/1/13 CMS/HHS issued a final rule "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2014." The final rule provides detail and guidance related to the premium stabilization policies such as the risk adjustment (§1343), reinsurance (§1341) and risk corridors programs (§1342). It also proposes key provisions governing advance payments of the premium tax credit (§1401), cost-sharing reductions (§1402), and user fees for Federally-facilitated Exchanges (§1311). Finally, it proposes a number of amendments relating to the SHOP (§1311(b)(1)(B)) and the medical loss ratio program (§10101).

The ACA established **three risk-mitigation programs** to stabilize premiums in the individual insurance market and minimize the effects of adverse selection that may occur as insurance reforms and the Exchanges launch in 2014. These programs include transitional reinsurance (§1341), temporary risk corridors programs (§1342), and a permanent risk adjustment program (§1343) to provide payments to health insurance issuers that cover higher-risk populations and to more evenly spread the financial risk borne by issuers. The transitional reinsurance program and the temporary risk corridors program, which begin in 2014, are designed to provide issuers with greater payment stability as insurance market reforms are implemented. The reinsurance program will reduce the uncertainty of insurance risk in the individual market by partially offsetting risk of high-cost enrollees. The risk corridors program, which is a federally administered program, will protect against uncertainty in rates for qualified health plans by limiting the extent of issuer losses and gains.

The rule proposes standards for advanced payments of the **premium tax credit** and for **cost-sharing reductions**. The credit is designed to make purchasing a health plan on the Exchange affordable for low and moderate income Americans by reducing a taxpayer's out-of-pocket premium cost. ACA §1401 amended the tax code to allow an advance, refundable premium tax credit to help individuals and families afford health insurance coverage. To be eligible to receive the premium tax credit, individuals and families must have incomes between 100%- 400 % FPL (or between 0% - 400% FPL if lawfully present and ineligible for Medicaid) and be enrolled in a qualified health plan (QHP) through an exchange. The individual must also be ineligible for government sponsored insurance and not have access to employer sponsored insurance that meets definitions of affordability and minimum essential coverage as established by ACA §1401. The amount of the premium tax credit is tied to the amount of the premium. Advance payments are made monthly under ACA §1412 to the issuer of the QHP in which the

individual enrolls. ACA §1402 provides for the reduction of cost sharing for certain individuals enrolled in QHPs offered through the Exchanges and §1412 provides for the advance payment of these reductions to issuers.

Beginning in 2014, as directed by ACA §1311(b), each state that operates an Exchange must establish a **Small Business Health Options Program (SHOP)** which will provide small employers with ways to offer employee health coverage and access to tax credits that make coverage more affordable.

The rule also proposes to amend the regulations to revise the treatment of community benefit expenditures in the **medical loss ratio (MLR)** calculation for issuers exempt from federal income tax. The MLR rules established under ACA §10101 establish the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care, and not on income, overhead or marketing. Beginning in 2011, the ACA requires insurance companies in the individual and small group markets to spend at least 80% of collected premium dollars on medical care and quality improvement activities; insurance companies in the large group market are required to spend at least 85%.

Read the proposed rule (which was published in the Federal Register on December 7, 2012) at: <http://www.gpo.gov/fdsys/pkg/FR-2012-12-07/pdf/2012-29184.pdf>

Read the final rule (which was published in the Federal Register on March 11, 2013) at: www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf

3/1/13 CMS/HHS issued an interim rule final rule "Patient Protection and Affordable Care Act: Amendments to the HHS Notice of Benefit and Payment Parameters for 2014." The interim final rule amends "Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2014" final rule, also published in the Federal Register on March 11, 2013. The amendment will adjust the risk corridors calculations to better align them with the single risk pool requirement established in the "Health Insurance Market Reforms; Rate Review" final rule (published February 27, 2013 in the Federal Register). The Market Reforms/ Rate Review final rule established standards to implement §1312(c), which directs an issuer to use a single risk pool for a market (the individual market, small group market, or merged individual and small group market) when developing rates and premiums for health insurance coverage effective beginning in 2014.

The amendment also sets standards permitting issuers of qualified health plans (QHPs) the option of using an alternate methodology for calculating the value of cost-sharing reductions provided for the purpose of reconciliation of advance payments of cost-sharing reductions. Premium tax credits are paid in advance directly to an insurer on a monthly basis on behalf of the taxpayer (who must claim it on their annual income tax return). However, final eligibility for the credit cannot be determined until the taxpayer files their annual return which has household income information for the year. A "reconciliation" then occurs between the tax credit already received by the consumer and the amount that the individual is deemed eligible to receive. Because household income can vary over the course of the year, the final tax credit may be greater or less than the amount already paid and a "reconciliation" occurs between the taxpayer and the government.

Comments due April 30, 2013.

Read the interim rule final rule(which was published in the Federal Register on March 11, 2013) at: <http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04904.pdf>

3/1/13 CMS/HHS issued a proposed rule "Patient Protection and Affordable Care

Act: Establishment of Exchanges and Qualified Health Plans; Small Business Health Options Program." The proposed rule implements portions of §1311(b) related to the **Small Business Health Options Program (SHOP)**.

The proposed rule would amend existing regulations regarding triggering events and special enrollment periods for qualified employees and their dependents and would implement a transitional policy regarding employees' choice of qualified health plans (QHPs) in the SHOP. Beginning in 2014 each state that operates an Exchange must establish a SHOP which is designed to assist qualified small employers in providing health insurance options to their employees, including access to tax credits that make coverage more affordable.

Comments are due in April 1, 2013.

Read the proposed rule(which was published in the Federal Register on March 11, 2013) at: <http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04952.pdf>

Prior guidance can be viewed at: www.healthcare.gov

News

3/7/13 HHS issued conditional approvals of State Partnership Exchanges to Iowa, Michigan, New Hampshire and West Virginia. The ACA established Affordable Insurance Exchanges (§1311(b)) to provide individuals and small business employees with access to health insurance coverage beginning January 1, 2014. States have the option of running either a State-Based Exchange or a State-Federal Partnership Exchange. Under the State Partnership Exchange (§1311), states operate their Exchanges in partnership with the federal government. This is an option provided to states that want to manage part of the Exchange in 2014, allowing states to make key decisions, serve as the primary points of contact for issuers and consumers and tailor the marketplace to local needs and market conditions. If a state does not choose either option, a Federally-Facilitated Exchange will operate in that state (§1321). To date 17 states, including Massachusetts, and the District of Columbia have been conditionally approved to run State-Based Exchanges, where states will create and operate their own marketplaces. Seven states have been conditionally approved to run State Partnership Exchanges. Conditional approval reflects the progress that states have made and the expectation that enrollment in the Exchange will begin in October 2013 and that coverage through the Exchange for consumers and small businesses will begin in 2014.

Learn more about this announcement at:

<http://www.hhs.gov/news/press/2013pres/03/20130307a.html>

To learn more about Exchange conditional approvals, visit:

<http://cciio.cms.gov/resources/factsheets/state-marketplaces.html>

To view Exchange letters from states, visit:

<http://www.healthcare.gov/law/resources/letters/index.html>

For more information on Exchanges, visit:

<http://www.healthcare.gov/exchanges>

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Implementation Council Meeting

March 15, 2013
1:00 PM - 3:00 PM
State Transportation Building, Conference Rooms 1, 2 and 3
10 Park Plaza
Boston, MA

The Implementation Council welcomes attendance at its meetings from all stakeholders and members of the public with interest in the Demonstration. Reasonable accommodations will be made for participants who need assistance. Please send your request for accommodations to Donna Kymalainen at Donna.Kymalainen@state.ma.us

Money Follows the Person (MFP) Stakeholder Meeting

March 19, 2013, 10:00 AM - 11:30 AM
State Transportation Building
10 Park Plaza
Boston, MA

Please contact MFP@state.ma.us if you would like to attend the meetings. Requests for reasonable accommodations should be sent to MFP@state.ma.us. Although an RSVP is not required, it is appreciated.

Bookmark the **Massachusetts National Health Care Reform website** at: [National Health Care Reform](#) to read updates on ACA implementation in Massachusetts.

Remember to check the Mass.Gov website at: [Dual Eligibles](#) for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.