



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

May 20, 2013

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[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

Health Care Innovation Awards Round Two, §3021. Announced May 15, 2013.

Funding is available to test new payment and service delivery models that will deliver improved care and lower costs for Medicare, Medicaid and/or Children's Health Insurance Program (CHIP) enrollees. Applicants will propose new service delivery models along with the design of corresponding new payment models. If their applications are funded, awardees will be required to implement the service delivery models at the start of the three-year cooperative agreement period and submit a fully developed payment model by the end of the cooperative agreement period. Eligible applicants include provider groups, health systems, payers and other private sector organizations, academic institutions, faith-based organizations, states, local governments, public-private partnerships and for-profit organizations. Awards will support public and private organizations in four defined areas that have a high likelihood of driving health care system transformation and delivering better outcomes. CMS is seeking proposals in the following categories: 1) Models that are designed to rapidly reduce Medicare, Medicaid, and/or CHIP costs in outpatient and/or post-acute settings, 2) Models that improve care for populations with specialized needs, 3) Models that test approaches for specific types of providers to transform their financial and clinical models and 4) Models that improve the health of defined populations through activities focused on engaging beneficiaries and providing comprehensive care that extend beyond the clinical service delivery setting. \$1 billion in 100 awards is available.

Applications are due August 15, 2013.

Read the CMS fact sheet on the Innovation Awards at: [CMS.Gov](http://www.cms.gov)
The announcement can be viewed at: [Grants.Gov](http://www.grants.gov)

Grant Activity

For 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: [Mass.Gov](http://www.mass.gov)

Guidance

5/14/13 HHS/CCIIO released a set of Frequently Asked Questions (FAQs) called "Oversight of Premium Stabilization Programs, Advance Payments of the Premium Tax Credit, and Cost-sharing Reductions." The FAQs cover issues that include: audit and reporting requirements for State-Based Exchanges, monitoring and oversight measures related to the premium stabilization programs (such as state-operated risk adjustment and reinsurance programs, cost-sharing reductions, and advance payments of the premium tax credit) applicable to both states and issuers and CMS' expectation that state insurance departments continue to oversee issuers in the health insurance market pursuant to the respective states' existing law and regulations.

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, where low and moderate income Americans will be eligible for premium tax credits (§1401, §1411) to make purchasing a health plan more affordable by reducing out-of-pocket premium costs. §1311(b)(1)(B) requires that Small Business Health Options Program (SHOP) assist qualified small employers in facilitating the enrollment of their employees in qualified health plans (QHPs) offered in the small group market. 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 FAQs at:

<http://cciio.cms.gov/resources/files/marketplace-faq-5-14-2013.pdf>

5/13/13 HHS/CCIIO released a set of Frequently Asked Questions (FAQs) called "Allowable Uses of Section 1311 Funding for States in a State Consumer Partnership Marketplace." A State Consumer Partnership Exchange is a type of Federally-Facilitated Exchange. According to the FAQ, ACA §1311(i)(6) prohibits Exchanges from using §1311(a) grant funds to fund Navigator grants. In State Consumer Partnership Marketplaces, Navigators are a federal responsibility funded by a separate federal grant program. **5/13/13 HHS/CCIIO also released a set of Frequently Asked Questions (FAQs) called "Allowable Uses of Section 1311 Funding for States in a State Partnership Marketplace or in States with a Federally-Facilitated Marketplace."**

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. If states choose not to run either a State-Based Exchange or a State-Federal Partnership Exchange, the Department of Health and Human Services will run a Federally-facilitated Exchange (§1321). Under the Federally-facilitated Exchange, HHS will operate all Exchange functions including engaging stakeholders; certifying, recertifying and decertifying QHPs;

determining eligibility for enrollment in a QHP through the Exchange and providing consumer support. 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 first set of FAQs at:

<http://cciio.cms.gov/resources/factsheets/ca-spm-funding.html>

Read the second set of FAQs at:

<http://cciio.cms.gov/resources/factsheets/spm-ffm-funding.html>

5/13/13 HHS/CCIIO released a set of Frequently Asked Questions (FAQs) related to essential community providers (ECPs). ECPs (ACA §1311) are providers that serve low-income, medically underserved individuals.

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Although QHPs are not required to contract with any particular ECPs, in order to be certified by Exchanges, QHPs must include ECPs in their networks. The FAQs notify ECPs about this requirement and clarify that as QHPs continue to add providers this will include ECPs. HHS also recommends that ECPs identify health insurers with a large market share and contact them directly to be included in their networks. The FAQs note that after 2014 HHS may revisit the requirements as they were originally laid out.

Access a database of ECPs at:

<https://data.cms.gov/dataset/Non-Exhaustive-List-of-Essential-Community-Providers/ibqy-mswg>

Read the FAQs at:

<http://cciio.cms.gov/resources/files/ecp-faq-20130513.pdf>

5/13/13 HHS/CMS issued a proposed rule called "Medicaid Program; State Disproportionate Share Hospital Allotment Reductions." Currently, states make Medicaid Disproportionate Share Hospital (DSH) payments to hospitals in instances where hospitals serve a disproportionate share of low income patients and have high levels of uncompensated care costs. The ACA will expand coverage to millions of Americans. At the same time as the Affordable Care Act expands coverage that reduces levels of uncompensated care, it also reforms Medicaid DSH allotments to reflect anticipated changes in coverage. ACA §1203 requires aggregate reductions to state Medicaid DSH allotments annually from fiscal year (FY) 2014 through FY 2020. The proposed rule delineates a methodology to implement the annual reductions for FY 2014 and FY 2015.

Comments are due July 12, 2013.

Read the fact sheet at: [CMS.Gov](http://www.cms.gov)

Read the proposed rule (which was published in the Federal Register on May 15, 2013) at:

<http://www.gpo.gov/fdsys/pkg/FR-2013-05-15/pdf/2013-11550.pdf>

5/13/13 Treasury/IRS published a notice of proposed rulemaking and notice of

public hearing regarding "Computation of, and Rules Relating to, Medical Loss Ratio." The proposed regulations provide guidance to Blue Cross and Blue Shield organizations, and certain other health care organizations, on computing and applying the medical loss ratio (MLR) requirements added to the IRS tax code by ACA §10101. The document also provides notice of a public hearing on the proposed regulations scheduled for Tuesday, September 17, 2013.

The ACA's MLR rules establish the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care and quality improvement activities, rather than on income, overhead or marketing. Starting with the 2011 reporting year, the ACA required 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%. Insurance companies must report their MLR data to HHS on an annual basis so that residents of every state will have information on the value of the health plans offered by insurance companies in their state. Under the MLR rules, insurance companies that do not meet the MLR standard are required to provide rebates to their consumers. Rebates must be paid by August 1st each year and insurers made the first round of rebates to consumers in 2012.

Comments are due by August 12, 2013. Requests to speak and outlines of topics to be discussed at the public hearing are due by August 12, 2013.

Read the final MLR rule at: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-16/pdf/2012-11753.pdf>

Read the proposed regulations and notice at:

<http://www.gpo.gov/fdsys/pkg/FR-2013-05-13/pdf/2013-11297.pdf>

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

News

5/13/13 The U.S. Preventive Services Task Force (USPSTF) issued its final recommendation statement on screening and behavioral counseling interventions in primary care to reduce alcohol misuse among adolescents and adults. USPSTF recommends that clinicians screen adults aged 18 years or older for alcohol misuse and provide people engaged in risky or hazardous drinking with brief behavioral counseling interventions to reduce alcohol misuse. The recommendation states that alcohol misuse is common, with approximately 30% of the U.S. population engaged in risky use or drinking above recommended limits.

The USPSTF is an independent panel of non-federal government experts that conduct reviews of scientific evidence of preventive health care services. The USPSTF then develops and publishes recommendations for primary care clinicians and health systems in the form of recommendation statements. As part of their recommendations process, the USPSTF will assign definitions to the services they review based on the certainty that a patient will receive a substantial benefit from receiving the benefit. Services that are graded "A" and "B" are highly recommended and the USPSTF believes there is a high certainty that patient will receive a substantial or moderate benefit. Under ACA §1001, all of the recommended services receiving grades of "A" or "B" must be provided without cost-sharing when delivered by an in-network health insurance provider in the plan years (or, in the individual market, policy years) that begin on or after September 23, 2010.

The USPSTF issued a "B" rating for the recommendation to routinely ask all adults 18 years and older about their drinking habits and offer counseling to those who drink more than they

should. According to the USPSTF, alcohol misuse is associated with 85,000 deaths per year, making it the third leading cause of preventable death in the country. In addition, the task force said that although alcohol use among teens is a serious problem, there was insufficient evidence to recommend that doctors ask those between the ages of 12 and 17 about their drinking. Because the current evidence about the benefits of screening and behavioral counseling interventions in primary care settings to reduce alcohol misuse in adolescents is insufficient, the USPSTF gave that recommendation an "I" rating.

Read the USPSTF's recommendations at: uspreventiveservicestaskforce.org
Learn more about the USPSTF and the ACA at: Healthcare.Gov

EOHHS News

5/17/13 EOHHS held a Quarterly Affordable Care Act Implementation Stakeholder Meeting and the agenda included a discussion of the MassHealth Section 1115 Demonstration Amendment request as well as the 2013 ACA legislative package.

The meeting agenda included an update on the implementation of the coverage changes under the ACA and on MassHealth's intent to submit a Request to Amend the MassHealth Section 1115 Demonstration. The presentation reviewed:

1) Coverage for the ACA Medicaid Expansion Population, 2) Discontinuation of certain programs that will no longer be necessary, 3) Coordination between MassHealth and Connector programs and 4) Additional 1115 waiver requests to support the transition to 2014. Additional information about the Section 1115 Demonstration Amendment can be found in the EOHHS News story "MassHealth Section 1115 Demonstration Amendment" below.

Stakeholders also heard an update on "An Act Implementing the Affordable Care Act and Providing Further Access to Affordable Health Care," which Governor Patrick filed on May 3, 2013. This legislation will allow Massachusetts to realize the full benefits of the Affordable Care Act, including expanded federal funding to support coverage for low and middle-income families and federal insurance reforms that will secure additional protections for Massachusetts residents. The legislation needs to be enacted by July 1, 2013 to comply with many key provisions of the ACA.

View the Presentation on the Section 1115 Demonstration Waiver Amendment at: Mass.Gov
View the 2013 ACA Legislative Package Presentation at: Mass.Gov
All presentations from past Quarterly Stakeholder Meetings are available at: [Presentations](#) under Materials from Previous Quarterly Stakeholder Meetings.

MassHealth Section 1115 Demonstration Amendment

EOHHS plans to submit a request to amend the MassHealth Section 1115 Demonstration to the Centers for Medicare and Medicaid Services (CMS) on May 31, 2013. The MassHealth Section 1115 Demonstration provides federal authority for Massachusetts to expand eligibility to individuals who are not otherwise Medicaid or CHIP eligible, offer services that are not typically covered by Medicaid, and use innovative service delivery systems that improve care, increase efficiency, and reduce costs.

The Demonstration amendment request outlines the specific authorities being requested from CMS to implement changes consistent with the Affordable Care Act (ACA), affecting eligibility, benefits, programs and delivery systems, as well as changes to expenditure authorities under the Demonstration. An attachment to the Amendment is a Transition Plan that explains in additional detail how the State plans to coordinate the transition of individuals enrolled in the Demonstration to a new coverage option available under the ACA without interruption in

coverage to the maximum extent possible.

The proposed Amendment and Transition Plan and additional relevant information are available at: [Mass.Gov](#)

Written comments must be received by EOHHS by 5 pm, May 30, 2013.

Comments may be sent to: anna.dunbar-hester@state.ma.us, or mailed to:
EOHHS, Office of Medicaid
Attn: Anna Dunbar-Hester
One Ashburton Place, 11th Floor
Boston, MA 02108

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.