



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

September 23, 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 Activity

On September 9, 2013, DPH submitted an "Immunization Increasing Human Papillomavirus (HPV) Vaccination Coverage Rates among Adolescents" grant to the CDC under ACA §4002. The proposal seeks to support activities that will ensure that Massachusetts reaches the goal of 80% of all adolescents in the state receiving three doses of HPV vaccine by 13 - 15 years of age, regardless of race/ethnicity or socioeconomic status. Through these activities, DPH will build on the strengths of the Massachusetts Immunization Program and the Program's partners to successfully reach this goal and become a model for other states. In addition, DPH will also work with immunization providers to increase knowledge regarding HPV-related diseases and HPV vaccine safety.

If received, grant funds will be used to implement a comprehensive media campaign targeting parents and adolescents and to use focus-group-tested materials developed by CDC to increase awareness of the importance of HPV vaccine in preventing cancer and to increase demand for HPV vaccine.

Read the grant abstract at: <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/130909-sec-4002-hpv-vacc-rates-adolescents.pdf>

On August 29, 2013, DPH, as a member of a consortium with other Northeast state health departments, submitted a "National Public Health Improvement Initiative -

Capacity Building Assistance to Strengthen Public Health Infrastructure and Performance - Laboratory Efficiencies Initiative Supplement " grant to the CDC under ACA §4002. The proposal, submitted by the Northeast Environmental and Public Health Lab Directors (NEEPHLD) consortium, will support public health laboratories to share testing resources for public health threats identified by the state, other health authorities and the CDC.

The Northeast Environmental and Public Health Lab Directors (NEEPHLD) group with participating members from the states of New York, New Jersey, Rhode Island, Connecticut, Massachusetts, Vermont, Maine, and New Hampshire was established in the 1980's and is ideally suited to facilitating interstate cooperation and sharing.

If funded, the NEEPHLD group will expand its state public health laboratory group to evaluate shared testing as it currently exists within the eight state consortium and the potential sustainability of increasing shared testing and other services.

Read the grant abstract at: <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/130829-sec-4002-national-public-health-improvement-initiative.pdf>

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

9/13/13 DOL issued a set of Frequently Asked Questions (FAQs) regarding penalties to employers for failing to meet the noticing requirements under ACA §1512. Under §1512, employers must provide employees at the time of hiring with written notice of the existence of Health Insurance Exchanges and other provisions, including whether the employee may be eligible to receive a premium tax credit and their health insurance coverage options under the ACA. ACA §1512 creates a new Fair Labor Standards Act (FLSA) section 18B requiring this notice to employees. 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.

According to the FAQ, although companies covered by the Fair Labor Standards Act should provide a written notice to their employees about the Exchange, employers will not be fined or penalized if they do not comply with the noticing requirement.

Read the FAQ at: <http://www.dol.gov/ebsa/faqs/faq-noticeofcoverageoptions.html>

9/13/13 CMS issued a final rule called "Medicaid Program; State Disproportionate Share Hospital Allotment Reductions." Currently, states make Medicaid Disproportionate Share Hospital (DSH) payments to hospitals that serve a disproportionate share of low income patients and have high levels of uncompensated care costs. The Affordable Care Act will expand coverage to millions of Americans. At the same time as the ACA 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 final rule delineates a methodology to implement the annual reductions for FY 2014 and FY 2015.

For more information on this rule please visit:

<http://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-Sheets/2013-Fact-Sheets-Items/2013-09-13.html>

Read the final rule (which was published in the Federal Register on September 18, 2013) at:

<http://www.gpo.gov/fdsys/pkg/FR-2013-09-18/pdf/2013-22686.pdf>

9/13/13 IRS/Treasury issued Notice 2013-54 which provides guidance on the application of certain provisions of the ACA to health reimbursement arrangements (HRAs), employer payment plans, health flexible spending arrangements (health FSAs) and employee assistance programs (EAPs).

The notice provides guidance on the applicability of ACA §10101, which provides that a group health plan may not establish any annual limit on the dollar amount of benefits for any individual, as well as ACA §1001, which requires non-grandfathered group health plans to provide certain preventive services without imposing any cost-sharing requirements for these services.

According to the notice, an HRA is an arrangement that is funded solely by an employer and that reimburses an employee for medical care expenses incurred by the employee, or his spouse, dependents, and any children who, as of the end of the taxable year, have not attained age 27, up to a maximum dollar amount for a coverage period. An employer payment plan does not include an employer-sponsored arrangement under which an employee may choose either cash or an after-tax amount to be applied toward health coverage. In general, a health FSA is a benefit designed to reimburse employees for medical care expenses (other than premiums) incurred by the employee, or the employee's spouse, dependents, and any children who, as of the end of the taxable year, have not attained age 27. EAPs are employee benefit programs offered by many employers that are intended to help employees deal with personal problems that might adversely impact their work performance, health, and well-being. EAPs generally include short-term counseling and referral services for employees and their household members.

Read Notice 2013-54 at: <http://www.irs.gov/pub/irs-drop/n-13-54.pdf>

9/12/13 HHS/CMS issued a notice called "Health Insurance Exchanges; Applications: Accreditation Association for Ambulatory Health Care to be a Recognized Accrediting Entity for the Accreditation of Qualified Health Plans." The notice announces the Accreditation Association for Ambulatory Health Care's (AAAHC) request for recognition by the HHS Secretary as an accrediting entity for the purposes of qualified health plan (QHP) certification. Federal regulations require HHS to publish a notice identifying the accrediting entity, summarizing its analysis of whether the accrediting entity meets certain criteria, and providing a minimum 30-day public comment period.

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. 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). A QHP must have a certification by each Exchange in which it is sold. ACA §1311 and subsequent regulations provide that, in order to be certified as a QHP and operate in the Exchanges that will be operational in 2014, a health plan must be accredited on the basis of local performance by an accrediting entity recognized by HHS.

In a [final rule](#) published on July 20, 2012, HHS established the first phase of an intended two-phased approach to implement the standards established under the ACA for QHPs to be

accredited and proposed both the National Committee for Quality Assurance (NCQA) and the Utilization Review Accreditation Commission (URAC) as recognized accrediting entities. In the first phase, the NCQA and the URAC would be recognized as accrediting entities on an interim basis and in future rulemaking, HHS would adopt a criteria-based review process in phase two. NCQA and URAC were notified later in 2012 that both had met the requirements in be recognized as an accrediting entity and were recognized by the Secretary as accrediting entities for the purposes of QHP certification.

On February 25, 2013, HHS published a subsequent [final rule](#) which amended the accrediting rules to establish an application and review process to allow additional accrediting entities to seek recognition.

Comments are due October 15, 2013.

Read the notice (which was published in the Federal Register on September 13, 2013) at: <http://www.gpo.gov/fdsys/pkg/FR-2013-09-13/pdf/2013-22369.pdf>

9/9/13 IRS/Treasury issued Notice 2013-57 which provides information about the definition of preventive care for purposes of high deductible health plans (HDHP) associated with Health Savings Accounts (HSAs). A HDHP is a health plan that satisfies certain requirements with respect to minimum deductibles and maximum out-of-pocket expenses.

Notice 2013-57 clarifies that a health plan will not fail to qualify as a HDHP because it provides without a deductible the preventive health services required to be provided by a group health plan or a health insurance issuer offering group or individual health insurance coverage as required under ACA §1001.

ACA §1001 requires group health plans and health insurance issuers offering group and individual health insurance coverage to provide benefits for certain preventive health services without imposing cost-sharing requirements.

Read the notice at: <http://www.irs.gov/pub/irs-drop/n-13-57.pdf>

9/4/13 Department of Labor (DOL) posted the 16th set of Frequently Asked Questions (FAQs) regarding the implementation of various provisions of the ACA. The FAQs have been prepared by the DOL, HHS, and the Treasury. This set of FAQs addresses an employer's noticing requirements under ACA §1512 and ACA §1201 and § 2708 regarding waiting periods.

Under §1512, employers must provide employees at the time of hiring with written notice of the existence of Health Insurance Exchanges and other provisions, including whether the employee may be eligible to receive a premium tax credit (§1401, §1411) and their health insurance coverage options under the ACA.

§1201 and §2708 prevent any group health plan and health insurance issuer from applying waiting periods that exceed 90 days. This provision applies to grandfathered and non-grandfathered group health plans and group health insurance coverage for plan years beginning on or after January 1, 2014.

Read the FAQ at: http://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs16.html

Prior guidance can be found at: <http://www.hhs.gov/healthcare/index.html>

News

9/9/13 HHS announced that approximately \$67 million was awarded nationally to health centers, including \$19 million in Health Center New Access Point Grants, authorized by ACA §10503, to establish 32 new health service delivery sites. The new sites will increase access to preventive and primary health care to more than 130,000 additional people. The sites will increase access to culturally competent primary health care services and improve the health status of underserved and vulnerable populations.

HHS also announced that an additional \$48 million will be awarded to nearly 1,200 of the nation's health centers to support ongoing operations and quality improvement activities. None of the Health Center New Access Point Grant awardees were from Massachusetts.

View a list of Health Center New Access Point grants, listed by organization and state, at: www.hrsa.gov/about/news/2013tables/newaccesspoints/.

Commonwealth of MA News

9/16/13 EOHS held a Quarterly Affordable Care Act Implementation Stakeholder Meeting and the agenda included presentations from the Massachusetts Health Connector and MassHealth that explained the coverage options that are available under the ACA and the transition process for current members and also provided information for individuals that are newly seeking coverage. The Open Enrollment period for the new health insurance products available under the ACA begins on October 1, 2013 and the Massachusetts Health Connector and MassHealth are focusing on outreach and education to be sure that consumers and employers understand the changes that are coming and the resources that are available to provide information about those changes.

View the Health Connector's Presentation on Member Transition and Consumer Outreach and Public Education at: <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/130916-cca-member-transition-aca.ppt>

View MassHealth's Presentation on Member Transition and Consumer Outreach and Public Education at: <http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/130916-masshealth-aca-qtly-meeting.ppt>

All presentations from past Quarterly Stakeholder Meetings are available at: [Presentations](#) under Materials from Previous Quarterly Stakeholder Meetings.

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.