



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

August 11, 2014

### 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

**8/5/14 The Patient Centered Outcomes Research Institute (PCORI), §6301, announced five grant opportunities on August 6, 2014.** Created under ACA §6301, PCORI is an independent nonprofit organization, tasked with conducting patient-centered outcomes research and studies. For all 5 opportunities, mandatory Letters of Intent are due September 5, 2014 and applications are due November 4, 2014

For more information about PCORI, visit [PCORI](#)

For more information about PCORI funding opportunities, visit: [www.pcori.org/funding-opportunities](http://www.pcori.org/funding-opportunities).

**Improving Methods for Conducting Patient-Centered Outcomes Research:** Funding is available to address gaps in research relevant to conducting Patient-Centered Outcomes Research (PCOR). The findings will be used in future PCORI Methodology Reports that help clinicians and patients make informed care decisions. Eligible applicants include: private or public research

organizations; nonprofit or for-profit organizations; university or college hospitals or healthcare systems; or local, state, or federal government agencies. \$12,000,000 in total is available.

An announcement for this opportunity can be found at: [PCORI.ORG](http://PCORI.ORG)

**Addressing Disparities:** Funding is available to conduct comparative clinical effectiveness research studies that evaluate and compare new and alternative interventions to usual care that overcome barriers or eliminate disparities in health care that may disproportionately affect the health outcomes of specific groups of patients. Eligible applicants include: private or public research organizations; nonprofit or for-profit organizations; university or college hospitals or healthcare systems; or local, state, or federal government agencies. \$8,000,000 in total is available.

An announcement for this opportunity can be found at: [PCORI.ORG](http://PCORI.ORG)

**Communication and Dissemination Research:** Funding is available for projects that address critical knowledge gaps in the communication and dissemination process of research results to patients, their caregivers, and clinicians. Eligible applicants include: private or public research organizations; nonprofit or for-profit organizations; university or college hospitals or healthcare systems; or local, state, or federal government agencies. \$8,000,000 in total is available. Mandatory Letters of Intent are due September 5, 2014. Applications are due November 4, 2014.

An announcement for this opportunity can be found at: [PCORI.ORG](http://PCORI.ORG)

**Improving Healthcare Systems:** Funding is available to study the comparative effectiveness of alternate features of healthcare systems designed to optimize the quality, outcomes, and/or efficiency of care for the patients they serve. Eligible applicants include: private or public research organizations; nonprofit or for-profit organizations; university or college hospitals or healthcare systems; or local, state, or federal government agencies. \$16,000,000 in total is available.

An announcement for this opportunity can be found at: [PCORI.ORG](http://PCORI.ORG)

**Assessment of Prevention, Diagnosis, and Treatment Options:** Funding is available to conduct research that will provide information about health care outcomes to help caregivers, clinicians and policymakers make decisions regarding prevention, screening, diagnosis, monitoring, or treatment of patients. Eligible applicants include: private or public research organizations; nonprofit or for-profit organizations; university or college hospitals or healthcare systems; or local, state, or federal government agencies. \$32,000,000 in total is available.

An announcement for this opportunity can be found at: [PCORI.ORG](http://PCORI.ORG)

## Grant Activity

**On August 4, 2014, DPH was awarded \$1,331,952 by HHS for the Maternal, Infant and Early Childhood Home Visiting (MIECHV) Formula Grant Program Limited Competition, under ACA §2951.**

Massachusetts will use the funding to expand evidence-based home visiting programs to improve the health of families and developmental outcomes of children in high need communities. The increase in home visiting, partnered with MHVI efforts in community collaboration-building, workforce development and community improvement activities, and systems-building will further strengthen Massachusetts' early childhood system of care.

In total, HHS awarded \$106.7 million in funding to 46 states, including Massachusetts for the MIECHV program. The MIECHV program facilitates collaboration and partnership at the federal, state, and community

levels to improve health and development outcomes for at-risk children using evidence-based home visiting programs. Funds were awarded only to states currently funded under the MIECHV program.

To learn more about the MIECHV program please visit:  
<http://mchb.hrsa.gov/programs/homevisiting/index.html>

To see a list of awardees, visit: [www.hrsa.gov/about/news/2014tables/homevisiting/](http://www.hrsa.gov/about/news/2014tables/homevisiting/)

Read the project abstract at: [www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140804-sec-2951-home-visiting-initiative.pdf](http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140804-sec-2951-home-visiting-initiative.pdf)

**On July 31, 2014 DPH submitted an application for a grant called "Immunization - Enhance an Immunization Information System (IIS) to Interface with CDC's Vaccine Ordering and Management System (VTrcks)." The grant is authorized under ACA §4002.**

Funds are available to improve the efficiency, effectiveness, and quality of immunization practices by strengthening the immunization information technology infrastructure and expanding immunization delivery partnerships. Grant activities will help protect more children, adolescents, and adults against vaccine-preventable diseases. The funds will help Massachusetts' IIS to interface with VTrcks, CDC's national vaccine ordering and inventory management system for publicly purchased vaccines.

If granted an award, DPH will work to enhance its current IIS, the Massachusetts Immunization Information System. The planned two-phase enhancement will help improve vaccine accountability and increase the program's operations efficiency by early 2016.

Read the project abstract at: [www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140731-sec-4002-enhance-iis.pdf](http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140731-sec-4002-enhance-iis.pdf)

**On July 31, 2014, DPH submitted an application for a grant opportunity called "The Immunization Capacity Building Assistance for Infrastructure Enhancements to Meet Interoperability Requirements." The grant is authorized under ACA §4002.**

Funds are available to assist current CDC Immunization Program awardees with activities that will improve the efficiency, effectiveness and quality of immunization data practices. The funds will help strengthen the immunization IT infrastructure and enhance awardees' capacity to support and extend interoperability between their Immunization Information Systems (IIS) and Electronic Health Record systems.

If granted an award, DPH plans to build on their existing progress and understanding of IIS, while developing a clear strategy for increasing the utilization and features of the Massachusetts Immunization Information System.

Read the project abstract at: [www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140731-sec-4002-immunization-capacity.pdf](http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/grants/140731-sec-4002-immunization-capacity.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:  
[www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html](http://www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html)

## Guidance

**8/1/14 HHS/CMS issued a final rule called "Medicare Program; Inpatient Psychiatric Facilities Prospective Payment System – Update for Fiscal Year Beginning October 1, 2014 (FY 2015)." The final rule implements portions of ACA sections 3401 and 10322.**

The final rule updates the prospective payment rates for Medicare inpatient hospital services provided by inpatient psychiatric facilities (IPFs). The changes are applicable to IPF discharges occurring during the fiscal year beginning October 1, 2014 through September 30, 2015. The rule also proposes a new methodology for updating the cost of living adjustment and proposes new quality measures and reporting requirements under the IPF quality reporting program.

Read the final rule (which was published in the Federal Register on August 6, 2014) at:

[www.gpo.gov/fdsys/pkg/FR-2014-08-06/pdf/2014-18329.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-08-06/pdf/2014-18329.pdf)

**8/1/14 HHS/CMS issued a final rule called Medicare Program; Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities for FY 2015.** The final rule implements portions of ACA sections 3401 and 6111.

The final rule updates the payment rates used under the prospective payment system (PPS) for skilled nursing facilities (SNFs) for fiscal year (FY) 2015. Based on proposed changes contained within the rule, CMS projects that aggregate payments to SNFs will increase by \$750 million from payments in FY 2014. This represents a higher update factor than the 1.3 % update finalized for SNFs last year. This estimated increase is attributable to adjustments required by statute. The final rule provides clarification of statutory requirements under ACA § 6111 regarding the approval and use of Civil Money Penalties imposed by CMS against nursing facilities.

Read the final rule (which was published in the Federal Register on August 6, 2014) at:

[www.gpo.gov/fdsys/pkg/FR-2014-08-05/pdf/2014-18335.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-08-05/pdf/2014-18335.pdf)

**8/1/14 HHS/CMS issued a final rule called "Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2015."** The final rule implements portions of ACA sections 3004, 3401 and 10319.

The final rule updates the Medicare payment policies and prospective payment rates for inpatient rehabilitation facilities (IRFs) for federal fiscal year (FY) 2015 (for discharges occurring on or after October 1, 2014 and on or before September 30, 2015). Under the rule, IRF PPS payments for FY 2015 are updated to reflect adjustments as mandated by the ACA. The rule also revises and updates quality measures and reporting requirements under the IRF Quality Reporting Program.

Read the final rule (which was published in the Federal Register on August 6, 2014) at:

[www.gpo.gov/fdsys/pkg/FR-2014-08-06/pdf/2014-18447.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-08-06/pdf/2014-18447.pdf)

**8/1/14 HHS/CMS issued a notice under the Paperwork Reduction Act of 1995 (PRA) seeking comments and emergency Office of Management and Budget (OMB) review on information collection activities related to the initial plan data collection to support Qualified Health Plan (QHP) certification and other financial management and exchange operations.**

According to HHS/CMS, the information collection will ensure that QHPs meet certain minimum certification standards, such as those pertaining to essential health benefits and actuarial value.

In order to meet those standards, the Exchange is responsible for collecting data and validating that QHPs meet these minimum requirements as described in the [Establishment of Exchanges and Qualified Health Plans: Exchange Standards for Employers Final Rule](#). In addition to data collection for the certification of QHPs, issuers, group health plans, third party administrators, and plan offerings outside of the Exchanges must adhere to the reporting requirements in the reinsurance and risk adjustment programs outlined in the [Standards Related to Reinsurance, Risk Corridors and Risk Adjustment Final Rule](#).

Beginning October 1, 2013, qualified individuals and qualified employees could purchase private health insurance coverage through Exchanges (Marketplaces) for January 1, 2014 effective dates. 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. Furthermore, an Exchange makes an advance determination of tax credit eligibility for individuals who enroll in a qualified health plan (QHP)

through the Exchange and pursue financial assistance (§1401, 1411, and 1412). QHPs are health plans that have been certified by an Exchange, provide essential health benefits (EHB, §1301) and follow established limits on cost-sharing (such as reduced deductibles, copayments, and out-of-pocket maximum amounts).

Comments are due August 27, 2014.

Read the notice at: [www.gpo.gov/fdsys/pkg/FR-2014-07-30/pdf/2014-17971.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-07-30/pdf/2014-17971.pdf)

**8/1/14 HHS/CMS issued a correcting amendment to the final rule called “Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Fiscal Year 2014 Rates; Quality Reporting Requirements for Specific Providers; Hospital Conditions of Participation; Payment Policies Related to Patient Status.”** The rule implements portions of the following ACA sections: 3001, 3004, 3005, 3008, 3021, 3025, 3106, 3123, 3124, 3125, 3133, 3141, 5503, 5504, 5506, 3313, 3401, 10309, 10312, 10313, 10316, 10319, 10322 and 10324. The document makes technical corrections to the [final rule](#) (which was published in the Federal Register on August 19, 2013).

The final rule updates fiscal year (FY) 2014 Medicare payment policies and rates under the Inpatient Prospective Payment System (IPPS) and the Long-Term Care Hospital Prospective Payment System (LTCH PPS). The final rule, which applies to approximately 3,400 acute care hospitals and approximately 440 LTCHs, will generally be effective for discharges occurring on or after October 1, 2013. According to CMS, under the rule, operating rates for inpatient stays in general acute care hospitals paid under the IPPS that successfully participate in the Hospital Inpatient Quality Reporting (IQR) Program will be increased by 0.7%. Those that do not successfully participate in the Hospital IQR Program will receive a 2% reduction in their annual increase. Beginning with FY 2015, hospitals that do not participate will lose one-quarter of a percentage increase in their payment updates.

Based on changes in the final rule, Medicare payments to LTCHs in FY 2014 are projected to increase by approximately \$72 million (or 1.3%) as compared to FY 2013 Medicare payments. Total IPPS payments (capital and operating payments) are projected to increase by \$1.2 billion.

In addition to setting the standards for payments for Medicare-covered inpatient services, the FY 2014 hospital payment rule describes the process for implementing the new Hospital-Acquired Conditions Reduction Program, which will begin in FY 2015. The rule updates measures and financial incentives in the Hospital Value-Based Purchasing and Readmissions Reduction programs. Additionally, the rule makes several changes relating to direct graduate medical education (GME) and indirect medical education payments and also establishes new or revised requirements for quality reporting by specific providers (acute care hospitals, PPS-exempt cancer hospitals, LTCHs, and inpatient psychiatric facilities (IPFs)) that are participating in Medicare.

Read the correction at: [www.gpo.gov/fdsys/pkg/FR-2014-07-30/pdf/2014-17937.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-07-30/pdf/2014-17937.pdf)

Prior guidance can be found at: [www.hhs.gov/healthcare/index.html](http://www.hhs.gov/healthcare/index.html)

## News

**7/31/14 CMS/HHS announced an extension for approved organizations to consider their participation in Models 2, 3, and 4 of the Bundled Payments for Care Improvement (BPCI) Initiative** under ACA §3021. According to the announcement, interested organizations can enter into BPCI initiative contracts in January 2015 as scheduled, but may also wait to enter such contracts until April 2015 if they choose. Contracts can also be extended through October 2015.

The initiative is designed to test how bundling payments for episodes of care can lower costs for Medicare and improve outcomes for beneficiaries. Under the BPCI models, organizations enter into payment arrangements that include performance and financial accountability for episodes of care. The program aligns payments for services delivered across an episode of care, such as heart bypass or hip replacement, rather than paying for services separately as Medicare currently does. Bundled payments are intended to give

doctors and hospitals new incentives to coordinate care, improve the quality of care and save money for Medicare.

Acute care hospitals, skilled nursing homes, physician group practices, long-term care hospitals, and home health agencies are examples of organizations that have entered into agreements to participate in the BPCI initiative.

The BPCI initiative outlines 4 models of care. Models 1-3 involve a retrospective bundled payment, with a price for a defined episode of care, and Model 4 would be paid prospectively. Phase 2 of Models 2 through 4 began testing in October 2013.

Model 2 is defined by CMS as retrospective bundled payment models for hospitals, physicians, and post-acute providers for an episode of care consisting of an inpatient hospital stay followed by post-acute care. CMS defined Model 3 as retrospective bundled payment models for post-acute care where the episode does not include the acute inpatient hospital. Model 4 are prospectively administered bundled payment models for the acute inpatient hospital stay and related readmissions.

Read more about the BPCI initiative at: [CMS.GOV](http://CMS.GOV)

**7/29/14 The Patient-Centered Outcomes Research Institute (PCORI) Board of Governors approved \$54.8 million in funding for 33 Patient-Centered Comparative Effectiveness Research (PCOR) Projects.** Created under ACA §6301, PCORI is an independent nonprofit organization, tasked with conducting patient-centered outcomes research and studies.

For more information about these awarded projects, visit [PCORI.ORG](http://PCORI.ORG)

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Approved funding will support 33 new patient-centered comparative clinical effectiveness research (CER) projects that will study the necessary ways to improve outcomes for people experiencing cardiovascular disease, diabetes, chronic pain, mental health conditions, nervous system disorders, kidney disease, multiple chronic conditions, and cancer. Studies will also compare the different approaches to delivering care, improving patients' access to care, and strengthening methods to conduct more rigorous patient-centered CER.

In Massachusetts, both the University of Massachusetts Medical School (UMMS) – Worcester and Brigham and Women's Hospital were approved for Accelerating PCOR and Methodological Research funding to support their projects:

**UMMS - Worcester- Improving Measurement of Health Care Transitions through Key Stakeholders' Eyes:** \$1,050,000 in funding was awarded for UMMS to conduct a three year study on approaches that will improve transitional care for patients. The project will measure and study the patients' transitional care experience in a consistent and accurate way that is designed to be easy to interpret. The measurements can be used by many different stakeholders (patients, caregivers, healthcare providers, hospital administrators) with the goal of improving transitional care for patients from setting to setting.

View the announcement at: [PCORI.ORG](http://PCORI.ORG)

**Brigham and Women's Hospital - Adherence Prediction Algorithms to Explain Treatment Heterogeneity and Guide Adherence Improvement:** \$1,024,163 in funding was awarded to Brigham and Women's Hospital to conduct a three year study to develop and test a tool for predicting a patient's adherence to taking a new medication. This will be conducted by using large healthcare databases to compare the many different approaches to predicting medication adherence. Such a tool would help patients and their healthcare providers when prescribing and taking new medications.

View the announcement at: [PCORI.ORG](http://PCORI.ORG)

**7/31/14 HHS announced that approximately \$54.6 million in HRSA Funded Health Center Program grants** were awarded to 221 community health centers in 47 states and Puerto Rico. The awards will be used to establish or expand behavioral health services for over 450,000 people nationally. The funding will allow health centers to hire new mental health professionals, provide mental health and substance use disorder health services, and use integrated models of primary care.

The grant awardees included the following nine health centers in Massachusetts: Brockton Neighborhood Health Center, Inc., Brockton; Codman Square Health Center, Inc., Dorchester Center; Community Health Programs, Great Barrington; Dorchester House Multi-Service Center, Inc., Dorchester; Harbor Health Services, Inc., Mattapan; Holyoke Health Center, Inc., Holyoke; Lynn Community Health, Inc., Mattapan Community Health Center, Inc. and South Cove Community Health Center, Inc., Boston.

There are currently 36 health centers in Massachusetts participating in the HRSA Funded Health Center Program.

For more information about HRSA Funded Health Centers, visit: [HRSA.GOV](http://HRSA.GOV)

To read the announcement, visit: [www.hhs.gov/news/press/2014pres/07/20140731a.html](http://www.hhs.gov/news/press/2014pres/07/20140731a.html)

**7/28/14 HHS announced that more than 8.2 million seniors and people with disabilities with Medicare have saved \$11.5 billion on prescription drugs** since 2010 under ACA §3301.

Medicare prescription drug coverage has become more affordable for seniors and people living with disabilities through the ACA provision that closes the gap in coverage known as the “donut hole.” The donut hole is the gap in coverage when beneficiaries have to pay the full cost of their prescriptions out of pocket, before catastrophic coverage takes effect.

In 2010, anyone with a Medicare prescription drug plan who reached the prescription drug hole received a \$250 rebate.

Beginning in 2011, beneficiaries in the donut hole began receiving discounts on covered brand-name drugs and savings on generic drugs. These savings will gradually increase until 2020, when the donut hole will be closed. In 2014, people with a Medicare prescription drug plan who fall into the donut hole will save from discounts and increased coverage in the gap about 53% on the cost of brand name drugs and about 28% on the cost of generic drugs.

In 2014, 22,830 Medicare beneficiaries living in Massachusetts received a combined total discount of \$18,998,488; the average discount per beneficiary was \$832. Since 2010, Massachusetts Medicare beneficiaries have received a total of \$179,450,246 in Medicare drug savings.

View the state data on the discounts received at: [CMS.GOV](http://CMS.GOV)

More information about Medicare prescription drug benefits is available here: [MEDICARE.GOV](http://MEDICARE.GOV)

## Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals (also known as One Care) Open Meeting

Friday, August 22, 2014

1:00 PM – 3:00 PM

State Transportation Building, 10 Park Plaza, Boston

We welcome attendance from all stakeholders and members of the public with an interest in One Care. 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](mailto:Donna.Kymalainen@state.ma.us).

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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.

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