



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

November 17, 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 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: www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html

Guidance

11/7/14 HHS/CMS issued a letter to state Medicaid and CHIP Directors regarding the considerations that the HHS Secretary intends to apply in exercising her authority under section 5000A(f)(1)(E) of the IRS Code to recognize certain types of Medicaid coverage as [minimum essential coverage](#), or MEC, (ACA §1501). This designation includes certain coverage for low-income pregnant women, coverage for medically needy individuals and coverage under a section 1115 demonstration, which are not included as MEC under regulations implementing section 5000A(f)(1)(ii) of the Code.

The ACA's individual shared responsibility provision states that coverage under certain government-sponsored programs does not constitute the required MEC. For example, the IRS stipulates that certain limited-benefit Medicaid and TRICARE health care coverage is not MEC.

The guidance announces the determination by the HHS Secretary under this authority that certain coverage for low-income pregnant women is MEC. The letter also clarifies how other Medicaid and CHIP coverage is regarded as MEC, and discusses related federal guidance issued today by the IRS to ensure that pregnant women are not adversely impacted by a decision either to recognize or to not recognize certain coverage as MEC. Finally, this letter discusses hardship exemptions and the availability of special enrollment periods for individuals enrolled in Medicaid coverage that is not MEC.

Read the letter at: <http://medicaid.gov/federal-policy-guidance/downloads/sho-14-002.pdf>

11/7/14 HHS/CMS issued a notice under the Paperwork Reduction Act of 1995 (PRA) seeking comments on the revision of a previously approved information collection activity related to cooperative agreements to support the establishment of State-operated health insurance exchanges. CMS is requesting an emergency modification to the weekly reporting template used by State-based exchanges in order to capture certain demographic data and information on new versus re-enrolled individuals in accordance with uniform definitions so as not to produce misleading results.

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 individuals would be eligible for premium tax credits (§1401, §1411) to make purchasing a qualified health plan (QHP) more affordable by reducing out-of-pocket premium costs. If states choose not to run either a State-Based Exchange or a State-Federal Partnership Exchange, HHS will operate a Federally-facilitated Exchange (§1321). Note that Massachusetts currently runs a State-Based Exchange.

Comments are due November 14, 2014.

Read the notice at: www.gpo.gov/fdsys/pkg/FR-2014-11-07/pdf/2014-26584.pdf

11/6/14 HHS/DOL/Treasury issued FAQ Part XXII regarding the implementation of the ACA, specifically the application of the ACA to health reimbursement arrangements (HRAs) and other payment arrangements. FAQ Set 22 address issues such as cash reimbursement for the purchase of an individual market policy, employees with high claims risk and other arrangements and compliance of premium reimbursement arrangements.

Previously the Departments have published guidance on the application of the ACA's market reforms to HRAs, certain health flexible spending arrangements (health FSAs) and certain other employer health care arrangements. The guidance explains that employer health care arrangements, such as HRAs and employer payment plans, are group health plans that typically consist of a promise by an employer to reimburse medical expenses up to a certain amount. The Departments' guidance clarifies that such arrangements are subject to the group market reform provisions under Title I of the ACA, including the prohibition on annual limits (PHS §2711) and the requirement to provide certain preventive services without cost sharing under ACA §1001 (2713). The Departments' guidance further clarifies that such employer health care arrangements will not violate these market reform provisions when integrated with a group health plan that complies with such provisions. However, an employer health care arrangement cannot be integrated with individual market policies to satisfy the market reforms.

Read the FAQ at: www.dol.gov/ebsa/faqs/faq-aca22.html

11/6/14 DOL issued Technical Release No. 2014-01, Guidance on State Regulation of Stop-Loss Insurance. The notice provides guidance about the regulation of stop-loss insurance. A stop loss policy is a policy that takes effect after a certain amount has been paid in claims. Companies providing health insurance for their employees through a self-insured plan often subscribe to stop loss policies in order to protect themselves against catastrophic claims.

Employers and other sponsors of self-insured group health plans, may face large fluctuations in claims, and thus frequently seek to reduce this risk by purchasing stop-loss insurance. Stop-loss insurance contracts protect against claims that are catastrophic or unpredictable in nature by covering claims costs that exceed a set amount for either a single enrollee or for aggregate claims over a determined period.

Read the notice at: www.dol.gov/ebsa/newsroom/tr14-01.html

10/31/14 CMS/HHS issued a final rule with comment period called "Medicare Program; Revisions to Payment Policies under the Physician Fee Schedule, Clinical Laboratory Fee Schedule, Access to Identifiable Data for the Center for Medicare and Medicaid Innovation Models & Other Revisions to Part B for CY 2015." The rule implements portions of ACA Sections 3002, 3014, 3021, 3022, 3134, 4104, 6002 and 10331.

The final rule with comment period addresses changes to the physician fee schedule (PFS), and other Medicare Part B

payment policies to ensure that payment systems are updated to reflect changes in medical practice and the relative value of services, as well as statutory changes.

In addition, CMS is proposing a new process for establishing PFS payment rates that will be more transparent and allow for greater public input prior to payment rates being set. The rule also changes several of the quality reporting initiatives that are associated with PFS payments – the Physician Quality Reporting System, Medicare Shared Savings Program, and Medicare Electronic Health Record Incentive Program, as well as changes to the Physician Compare tool on the Medicare.gov website. Finally, the rule continues the phased-in implementation of the physician value-based payment modifier (created by the ACA) that would affect payments to physicians and physician groups, as well as other eligible professionals, based on the quality and cost of care they furnish to beneficiaries enrolled in the traditional Medicare fee-for-service program.

Comments are due December 30, 2014.

Read the final rule with comment period (which was published in the Federal Register on November 13, 2014) at: www.gpo.gov/fdsys/pkg/FR-2014-11-13/pdf/2014-26183.pdf

10/31/14 CMS/HHS issued a final rule with comment period called “Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Physician-Owned Hospitals: Data Sources for Expansion Exception; Physician Certification of Inpatient Hospital Services; Medicare Advantage Organizations and Part D Sponsors: CMS-Identified Overpayments Associated with Submitted Payment Data.” The rule implements portions of the following ACA sections: 3138, 3401, 4104, 10319 and 10324.

The rule updates the Medicare hospital outpatient prospective payment system (OPPS) and the Medicare ambulatory surgical center (ASC) payment system for CY 2015. According to CMS, the rule implements changes to move from a hospital OPPS and fee schedule to a complete PPS. Under the policy, CMS will make a single payment for all related or adjunctive hospital services provided to a patient in the furnishing of certain primary procedures. The rule also establishes changes to quality reporting programs, partial hospitalization program rates and the overpayment recovery and appeals process for Medicare Part C and Part D.

Comments are due December 30, 2014.

Read the final rule with comment period (which was published on November 10, 2014) at: www.gpo.gov/fdsys/pkg/FR-2014-11-10/pdf/2014-26146.pdf

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

News

11/12/14 HHS announced that \$3.9 million was awarded to health programs operated by Indian Health Services, tribes, tribal organizations and urban Indian organizations for outreach efforts aimed at increasing the enrollment of eligible American Indian and Alaska Native children in Medicaid and the Children's Health Insurance Program (CHIP). The awards were made to organizations located in seven states: Alaska, Arizona, California, Mississippi, Montana, New Mexico and Oklahoma.

The awards will target activities that are tailored to communities where American Indian and Alaska Native children and their families reside. The grants will also fund activities designed to help families understand new application procedures and health coverage opportunities, including Medicaid, CHIP and health insurance coverage through the Health Insurance Marketplace (Exchange).

The awards, authorized under the Children's Health Insurance Program Reauthorization Act of 2009 and extended by the ACA, will help ensure American Indian and Alaska Native children have opportunities to get quality health care services which may not be available through their local Indian health care provider.

View the list of awardees at:

www.insurekidsnow.gov/professionals/outreach/grantees/ai-an_ckc_grants.pdf

11/6/14 HRSA awarded approximately \$51.3 in funding under ACA §10503 to support mental health and substance abuse treatment. Funding will increase behavioral health services to support 210 health centers in 47 states, the District of Columbia, and Puerto Rico to establish or expand behavioral health services for nearly 440,000 people.

Awards will allow community health centers to improve access and care for individuals in need of mental health services. Funds will be used to hire new mental health professionals, add new mental health and substance use disorder health services, and employ integrated models of primary care. Previously this year, HHS awarded \$54.5 million to 223 other health centers for the same purpose.

The awardees include thirteen health centers in Massachusetts, receiving a total of \$3,191,762 in funding.

For a complete list of Massachusetts awardees, visit: HRSA.GOV

To read this announcement, visit: HRSA.GOV

Upcoming Events

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

Friday, November 21, 2014
1:00 p.m. -3:00 p.m.
1 Ashburton Place, 21st Floor
Boston, MA

A meeting agenda and any meeting material will be distributed prior to the meetings.

Meetings of the Implementation Council are open to stakeholders and members of the public with an interest in One Care. Reasonable accommodations are available upon request. Please contact Donna Kymalainen at Donna.Kymalainen@umassmed.edu to request accommodations.

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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