



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

May 31, 2016

### 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

**Immunization Grants - CDC Partnership: Strengthening Public Health Laboratories, \$4002.** Announced May 19, 2016.

Funding is available to support state laboratory capacity building to improve the timely identification and readiness of the influenza vaccine viruses by a minimum of two weeks within initial identification of the influenza strand. This project will ensure that the appropriate infrastructure is available to determine the complete DNA sequence of influenza prior to the 2016 influenza season.

Eligible applicants include nonprofit organizations and for-profit organizations other than small businesses. \$645,000 is available for one award.

Applications are due July 21, 2016.

The announcement may be viewed at: [GRANTS.GOV](http://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: [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

**5/25/16 HHS/CMS issued a notice under the Paperwork Reduction Act of 1995 (PRA) seeking comments on the revision of a currently approved information collection activity related to the Annual**

## Medical Loss Ratio (MLR) and Rebate Calculation Report and MLR Rebate Notices.

The ACA's MLR rules (§10101) 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 salaries, 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%. 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. Insurance companies must report their MLR data (including information about any rebates it must provide, on an HHS form, for each state in which the issuer conducts business) to HHS on an annual basis. Each health insurance issuer must submit a report to the HHS Secretary concerning the amount the issuer spends each year on claims, quality improvement expenses, non-claims costs, federal and state taxes and licensing and regulatory fees, the amount of earned premium, and beginning with the 2014 reporting year, the amounts related to the reinsurance, risk corridors, and risk adjustment programs established under ACA §1341, §1342, and §1343, respectively. According to HHS, the data will allow residents of every state to have information about the value of the health plans offered by insurance companies in their state.

Under ACA §1342 and implementing regulations at 45 CFR part 153, issuers of qualified health plans (QHPs) must participate in a risk corridors program. A QHP issuer will pay risk corridors charges or be eligible to receive payments based on the ratio of the issuer's allowable costs to the target amount. Each QHP issuer is required to submit an annual report to CMS concerning the issuer's allowable costs, allowable administrative costs, premium, and proportion of market premium in QHPs. Risk corridors premium information that is specific to an issuer's QHPs is collected through a separate plan-level data form, which is included in this information collection.

Based on comments that CMS has received, the agency is changing the 2015 MLR Annual Reporting Form and Instructions and the 2015 Risk Corridors Plan-Level Data Form and Instructions in order to correct minor errors and to provide additional clarifications.

Comments are due June 24, 2016.

Read the notice at: <https://www.gpo.gov/fdsys/pkg/FR-2016-05-25/pdf/2016-12085.pdf>

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

## News

### **5/24/16 The Patient Centered Outcomes Research Institute (PCORI) awarded more than \$20 million to fund four new patient-centered comparative clinical effectiveness research (CER) studies.**

Funding will help support CER studies on a range of conditions and problems that impose high burdens on patients, caregivers, and the health care system. This round of funding will focus on hepatitis C and telemedicine, breast cancer screening, cerebral palsy, and stress management.

The four awards will be used for 1) a study being conducted by the Research Foundation for the State University of New York to examine the effectiveness of telemedicine provided in methadone clinics, 2) a project being conducted by the University of California, Davis to determine the effectiveness of supplemental breast cancer screening methods, and 3) and a study being conducted by the Ohio State University to determine the optimal timing and intensity of physical therapy for children with cerebral palsy. The fourth award was made to The Massachusetts General Hospital to conduct a study to determine the optimal type and frequency of mindfulness-based treatment for relieving stress.

PCORI, created under ACA §6301, is an independent nonprofit organization, tasked with conducting patient-centered outcomes research and studies. With this announcement, PCORI has currently approved or awarded more than \$1.2 billion in research funding through its awards program.

To learn more about these awards, visit: [PCORI.ORG](http://PCORI.ORG)

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**5/19/16 The Medicaid and CHIP Payment and Access Commission (MACPAC) held a public meeting in Washington, D.C.** The meeting concentrated on the Commission's June 2016 Report to Congress on Medicaid and CHIP, with sessions reviewing draft chapters on Medicaid spending and financing and a draft chapter discussing functional assessment for Medicaid long-term services and supports.

The first session examined Medicaid spending through a variety of lenses, including national health expenditures, state and federal budgets, components of growth, and growth among different types of services. The session that followed reviewed design considerations for proposals that would reduce federal Medicaid spending with changes to financing and action states might take in response.

MACPAC also explored policy options for maintaining, modifying, or repealing Medicaid's Institutions for Mental Diseases (IMD) exclusion, which prohibits federal payment for services in certain psychiatric institutions. The Commission also resumed its consideration of policy options for coverage of low- and moderate-income children, advancing its possibilities for recommendations at the end of 2016. MACPAC also held a panel discussion of financing and delivery of long-term care.

MACPAC was established by the Children's Health Insurance Program Reauthorization Act and later expanded and funded through ACA §2801 and §10607. The commission consists of experts, government officials, executives and medical professionals. MACPAC is tasked with reviewing state and federal Medicaid and CHIP access and payment policies and making recommendations to Congress, the HHS Secretary, and the states on a wide range of issues affecting Medicaid and CHIP populations, including the implementation of health care reform.

Read the meeting agenda at: <https://www.macpac.gov/wp-content/uploads/2015/05/Public-Agenda-May-2016-Final.pdf>

Read the meeting materials and presentations at: [https://www.macpac.gov/public\\_meeting/march-2016-macpac-public-meeting/](https://www.macpac.gov/public_meeting/march-2016-macpac-public-meeting/)

## Commonwealth of MA News

**5/23/16 CMS authorized flexibility for Massachusetts to maintain its merged insurance market for non-group and small group commercial insurance.** In response to a joint request from the Massachusetts Health Connector and the Division of Insurance, CMS agreed that Massachusetts can maintain rolling enrollment throughout the year for small businesses and quarterly small group premium rate refreshing within its merged market.

This request was formulated as a result of Massachusetts' exploration of a State Innovation Waiver under ACA § 1332. During this exploration, stakeholders unanimously supported seeking flexibility to retain Massachusetts' unique "hybrid" merged market structure, which was created under state health reform in Chapter 58 of the Acts of 2006. This merged market structure has promoted affordability for individuals while maintaining familiar enrollment cycles for businesses. CMS has determined that the current market structure provides appropriate consumer protections and will permit Massachusetts to continue its version of a merged market.

Learn more at: <https://betterhealthconnector.com/about/policy-center/state-innovation-waiver>

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

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

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