



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

May 11, 2012

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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

Grants for School-Based Health Center Capital (SBHCC) Program, §4101. Announced May 9, 2012. Funding is available for the capital needs of school-based health centers (SBHCs). Eligible applicants are school-based health centers or sponsoring facilities of school-based health centers. The School-Based Health Center Capital program will improve the delivery of care for children at SBHCs by providing grants to renovate and/or expand existing facilities, build new facilities, and/or purchase equipment. The funding cannot be used for the provision of health services, personnel or other operational expenses. Funding preferences will go to applicants who can certify that the SBHC will serve a large population of children who are eligible for medical assistance under Medicaid or the Children's Health Insurance Program (CHIP). \$75M in 150 awards is available.

Applications are due June 26, 2012.

The announcement can be viewed at: [HRSA](#)

The Mental and Behavioral Health Education and Training Grants Program, §4002 and 5306(a). Announced May 2, 2012. Funding is available to increase the number of social workers and psychologists who work with high-risk populations such as rural, veterans, military personnel and their families, or other underserved populations. Eligible applicants are accredited schools of social work and psychology. The program will provide funding for psychology and social work graduate programs to increase the number of enrolled students and

to provide educational and field experiences in mental and behavioral health. Funding is also available to institutions of higher education that have professional and accredited training programs in social work and psychology in order to recruit new students, develop inter-professional training, expand field placements for social work students or pre-degree internship slots for psychology students, and provide stipend support for those in field placements or pre-internships. In addition, the program will provide stipends for Master's level social work students and doctoral level psychology students. \$10M in 20 awards is available.

Applications are due June 15, 2012.

The announcement can be viewed at: [HRSA](#)

Guidance

5/9/12 HHS/CMS issued a proposed rule to implement §1202 of the Health Care and Education Reconciliation Act (HCERA), passed alongside the ACA, which provides increased payments for certain Medicaid primary care services. Under this provision, certain physicians that provide eligible primary care services would be paid the Medicare rates in effect in calendar years (CY) 2013 and 2014 (or if greater, the Medicare rate in effect in 2009) instead of their usual state-established Medicaid rates, which may be lower than federally established Medicare rates. Increased payment applies to primary care services delivered by a physician with a specialty designation of family medicine, general internal medicine, or pediatric medicine or related subspecialists. 100% FFP is available to states for the difference between the Medicare rate and the state Medicaid payment rate as of July 1, 2009. The increase applies to a specific set of services and procedures that CMS designates as "primary care services". The increase applies to billing codes for a specific set of evaluation and management (E&M) services and certain vaccine administration services. Comments are due June 11, 2012.

Read the proposed rule (published on Friday, May 11, 2012) at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-05-11/pdf/2012-11421.pdf>

Read the fact sheet at: [CMS](#)

5/3/12 CMS announced an extended data collection timeline in the implementation of ACA §6002, the Physician Payments Sunshine Act. In December 2011 CMS published a proposed rule implementing this provision which is intended to provide transparency in requiring reporting of payments or gifts to physicians, and physician ownership and investment interests. The proposed rule would require manufacturers of drugs, devices, biologicals, and medical supplies covered by Medicare, Medicaid, or the Children's Health Insurance Program to report to CMS payments or other transfers of value they make to physicians and teaching hospitals. The proposed rule would also require manufacturers and group purchasing organizations (GPOs) to disclose physician ownership or investment interests to CMS. All manufacturers and GPOs, as well as the physicians and teaching hospitals, would be allowed an opportunity to review and correct information prior to its publication.

According to CMS, in order to provide time for organizations to prepare for data submission and for the agency to sufficiently address the public input received during comment process, CMS will not require data collection by applicable manufacturers and applicable group purchasing organizations before January 1, 2013 and the agency intends to release the final rule later this year.

Read the CMS announcement at: [CMS](#)

Read the proposed rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-12-19/pdf/2011-32244.pdf>

5/1/12 HHS/CCIIO issued sub-regulatory guidance called "Bulletin on the Risk

Adjustment Program: Proposed Operations by the Department of Health and Human Services." The ACA established three risk-mitigation programs to stabilize premiums in the individual insurance market and minimize the effects of adverse selection that may occur as insurance reforms and the Exchanges launch in 2014. These programs include transitional reinsurance (§1341), temporary risk corridors programs (§1342), and a permanent risk adjustment program (§1343). ACA §1343 directs states, or HHS on behalf of a state, to operate a risk adjustment program that includes all non-grandfathered plans in the individual and small group market both inside and outside of the Exchange market. The risk adjustment program distributes the financial risk taken on by health insurance issuers more evenly in order to stabilize premiums and provide issuers the ability to offer a variety of plans to meet the needs of a diverse population in markets inside or outside the Exchange. The ACA allows HHS to operate risk adjustment on behalf of a state where the state does not operate the program. Under the final rule, a state electing to establish an Exchange is eligible to establish a risk adjustment program.

This bulletin highlights and seeks comment on HHS's broad-based intended approach to implement risk adjustment when the federal agency is operating the risk adjustment function on behalf of a state. HHS also notes that since states are given flexibility in how to operate a risk adjustment program, it may be helpful for states to understand how HHS might operate risk adjustment when the agency operates it on behalf of a state. According to HHS, more detailed information on the risk adjustment methodology that the agency will adopt will be published in the first draft HHS Notice of Benefit and Payment Parameters in the fall of 2012 with a final notice slated to be published in January 2013. The Bulletin contains information in the following sections: Risk Adjustment Methodology; Operating Risk Adjustment; Data Collection Approach and General Data Requirements; Assessing Existing State Data Resources and Market Characteristics; and Timeline and Stakeholder Communication.

CCIIO does not provide dates for the comment period but the agency is requesting comments to inform the development of further risk adjustment guidance, and proposing that, by fall 2012, they will publish a draft HHS notice of benefit and payment parameters, which will include federal risk adjustment parameters and requirements for data validation.

Read the "Bulletin on the Risk Adjustment Program: Proposed Operations by the Department of Health and Human Services" at:

<http://cciio.cms.gov/resources/files/ppfm-risk-adj-bul.pdf>

Read the related "Standards Related to Reinsurance, Risk Corridors and Risk Adjustment" Final Rule, published on March 23, 2012, at: <http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf>

(Note that in this Bulletin CCIIO states that this rule will be referred to as the Premium Stabilization final rule moving forward).

Prior guidance can be viewed at www.healthcare.gov

News

5/8/12 CMS announced the first 26 organizations to receive Health Care Innovation Awards under §3021 of the ACA. The 26 projects, receiving a total of \$122.6 million in funding, are designed to test new models that deliver high quality medical care, enhance the health care workforce and lower costs through improved care to Medicare, Medicaid and Children's Health Insurance Program (CHIP) enrollees, particularly those with the highest health care needs. The projects will be administered through cooperative agreements with the CMS Innovation Center and are expected to reduce health spending by \$254 million over the next 3 years.

The new projects include collaborations of hospitals, doctors, nurses, pharmacists, technology innovators, community-based organizations, and patients' advocacy groups, located in urban and rural areas that will begin work this year to address health care issues in local communities. According to CMS, the initiative will allow applicants to develop ideas to test how we to both promptly and efficiently improve the quality and affordability of health care.

Overall, the Health Care Innovation Awards will fund up to \$1 billion in grants and each award will range from approximately \$1 million to \$30 million for a three-year period. Each grantee project will be monitored for measurable improvements in quality of care and savings generated.

Of the 26 projects, the following are connected to Massachusetts: 1) Beth Israel Deaconess, Massachusetts, "Preventing avoidable re-hospitalizations: Post-Acute Care Transition Program (PACT);" 2) Health Resources in Action, Massachusetts, Rhode Island, Connecticut and Vermont, "New England asthma innovations collaborative" and 3) The National Health Care for the Homeless Council, New Hampshire, Texas, Nebraska, Massachusetts, Illinois, Florida, North Carolina and California, "Community health workers and HCH: a partnership to promote primary care."

Read the press release at:

<http://www.hhs.gov/news/press/2012pres/05/20120508a.html>

Read more about the Health Care Innovation Awards at:

<http://innovations.cms.gov/initiatives/Innovation-Awards/index.html>

Read the project profiles at:

<http://innovations.cms.gov/initiatives/Innovation-Awards/Project-Profiles.html>

5/7/12- 5/8/12 HHS held a public meeting on the risk adjustment program under §1343 of the ACA. HHS held the meeting to provide information to states, issuers, and interested parties about the risk adjustment program and to provide an opportunity for HHS to hear public feedback as the agency develops the federal risk adjustment methodology and works through operational issues.

ACA §1343 is part of three risk-mitigation programs (along with risk corridors and reinsurance) set up under the ACA to offset market uncertainty and risk selection to maintain the viability of exchanges. These programs will mitigate the impact of potential adverse selection and stabilize premiums in the individual and small group markets as insurance reforms and the Exchanges launch in 2014.

Meeting topics included the following: the risk adjustment model, calculation of plan average actuarial risk, calculation of payments and charges, data collection approach, and the schedule for running risk adjustment.

Meeting materials can be found on the CCIIO website at:

<http://cciio.cms.gov/resources/other/index.html#fm>

HHS published the final "Standards Related to Reinsurance, Risk Corridors and Risk Adjustment" rule in March 2012 which can be read at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf>

5/7/12 The White House released a report called "The Obama Administration's Record on Supporting the Nursing Workforce." The report details several initiatives that the Obama Administration has implemented to support the nursing workforce, such as scholarships, loan repayment, and expanded training and educational opportunities.

Some of the initiatives highlighted in the report were supported by the ACA. They include: The

ACA's investment in Nurse Managed Clinics which is projected to help train more than 900 nurses by 2013 and serve 94,000 patients; funding from the ACA's Prevention and Public Health Fund, including the training of 600 new nurse practitioners and nurse midwives by 2015; and training and educational support programs reauthorized through the ACA which are supporting more than 50,000 nurses and students.

Read the report at:

http://www.whitehouse.gov/sites/default/files/docs/nurses_report_0.pdf

5/2/12 HHS/DOJ announced that the Medicare Fraud Strike Force joint agencies' national health care fraud and prevention enforcement operations in seven cities has resulted in charges against 107 individuals, including doctors, nurses and other licensed medical professionals, for their alleged participation in Medicare fraud schemes involving approximately \$452 million in false billing. In addition to the arrests, the administration used new authority from the ACA to suspend all future payments to 52 health care providers suspected of fraud until an investigation is complete. Currently, the Obama administration is implementing enhanced provider screening and enrollment requirements, increased data sharing across government agencies, expanded overpayment recovery efforts and greater oversight of private insurance abuses as authorized by Title VI, Transparency and Program Integrity of the ACA.

Read the press release at:

<http://www.hhs.gov/news/press/2012pres/05/20120502b.html>

To learn more about the joint HHS/DOJ efforts to prevent and deter Medicare fraud, visit:

www.stopmedicarefraud.gov

5/1/12 HHS announced approximately \$728 million in awards to build, expand and improve community health centers. The awards announced will support 398 renovation and construction projects for community health centers under §10503 of the ACA. The awards are part of a series of capital investments in community health centers under the ACA, which provides \$9.5 billion to expand services over five years and \$1.5 billion to support major construction and renovation projects at community health centers.

The Building Capacity Program will fund the renovation, expansion and construction of community health center facilities. This program is expected to expand access to approximately 860,000 more patients and improve existing services. HHS awarded approximately \$629 million to 171 existing health centers. Seven Massachusetts health centers received a Building Capacity Grant: Joseph M. Smith Community Health Center, Fenway Community Health Center, Holyoke Health Center, Inc., Harbor Health Services, Manet Community Health Center, Inc., New England Hospital (D.B.A. Dimock Community Health Center), and Family Health Center of Worcester, Inc.

The Immediate Facility Improvement Program addresses immediate and pressing capital needs for existing health centers. 227 community health centers were awarded approximately \$99.3 million. Six Massachusetts community health centers were awarded these grants: Brockton Neighborhood Health Center, Community Health Connections, Inc., Holyoke Health Center, Inc., Manet Community Health Center, Inc., North Shore Community Health, Inc., and Caring Health Center.

Through the ACA, \$11 billion dollars will be distributed over a 5-year period that will fund the operation, expansion and construction of community health centers across the United States. In October 2011, 13 Massachusetts community health centers were selected to participate in the Federally Qualified Health Center Advanced Primary Care Practice Demonstration. This demonstration is designed to improve coordination and quality of care by paying community health centers based on the quality of care they deliver.

For more information regarding the capital programs, visit:

<http://www.hhs.gov/news/press/2012pres/05/20120501a.html>

For a list of health centers awarded Building Capacity funds, visit:

<http://www.hrsa.gov/about/news/2012tables/120501healthcentercapital.html>

For a list of health centers awarded Immediate Facility Improvement funds, visit:

<http://www.hrsa.gov/about/news/2012tables/120501facilityimprovement.html>

For more information regarding the Federally Qualified Health Center Advanced Primary Care Practice Demonstration, visit: <http://innovation.cms.gov/initiatives/FOHCs/index.html>

4/30/12 CMS announced that as a result of the ACA, over 5.1 million seniors and people with disabilities with **Medicare Part D who reached the gap in coverage known as the "donut hole"** have received an automatic discount on their prescription drugs. CMS data show 220,261 Medicare beneficiaries have benefitted from the discount in the first three months of 2012. In Massachusetts, as of March 31, 2012, 3,518 individuals had received an average discount amount per beneficiary of \$895.69. Last year, the ACA provided a 7% discount on covered generic medications for people who hit the donut hole. This year members will save 14% discount on generics. Beneficiaries also receive a 50% discount on their covered brand name prescription drugs. In 2010, nearly 4 million beneficiaries who hit the donut hole received a \$250 rebate under the ACA to help them afford prescription drugs in the coverage gap. These discounts will continue to grow over time until the donut hole is closed completely in 2020 as required by ACA §1101.

For the CMS data, visit: <http://www.cms.gov/Plan-Payment/>

For more information, visit: cms.gov

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting- Postponed

Please be advised that the Open Meeting that was scheduled for **May 14, 2012 is postponed**. MassHealth will be rescheduling the meeting, and as soon as the date and time are confirmed we will post the information on the www.mass.gov/masshealth/duals website under Open Meetings.

Money Follows the Person Stakeholder Meeting

May 18, 2012, 2:30 PM - 4:00 PM

Worcester Senior Center

128 Providence Street

Worcester, MA 01545

*Please note the change in location

The meeting will include updates on MFP and a presentation and opportunity for input on Quality and Consumer Control with the MFP Project. Free parking is available at the Worcester Senior Center parking lot located behind the Center and is accessible from Spurr Street. Handicapped parking is available in this lot as well as along the front entrance driveway off of Providence Street.

An **MFP 101 introductory session** will also be at the Worcester Senior Center and will begin at 2 p.m. on May 18, 2012.

Insurance Market Reform Work Group Open Stakeholder Meetings

The Insurance Market Reform Work Group, co-chaired by the Health Connector and the Division of Insurance, is hosting a series of open meetings to solicit feedback on a range of

topics under its purview. The meeting schedule and proposed topics are highlighted below. If any interested persons are unable to attend the meetings in person, they can participate in the session by calling the number below. We highly encourage people to attend in person as the acoustics in the Hearing Room can be difficult.

Dialing Instructions:

Dial 1-877-820-7831

Pass Code 9630386# (please make sure to press # after the number).

Potential ACA changes including open enrollment/special enrollment, eligibility appeals, termination, uniformity of forms

May 11, 2012

10:00 - 11:30 a.m.

1000 Washington Street, Boston

Hearing Room E, DOI Offices

Other issues (TBD)

May 25, 2012

10:00 - 11:30 a.m.

1000 Washington Street, Boston

Hearing Room E, DOI Offices

Bookmark the **Massachusetts National Health Care Reform website**

at: http://mass.gov/national_health_reform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.