



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

November 22, 2011

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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.

News

11/21/11 CCIIO announced that in conducting a rate review of Everence Insurance of Pennsylvania under §1003 of the ACA that the health insurer is charging small businesses unreasonably high premium increases. The rate review program requires that insurers seeking rate increases of 10% or more for non-grandfathered plans in the individual and small group markets publicly and clearly disclose the proposed increases and the justification for them. Such increases are reviewed by either state or federal experts (in instances where states do not have such resources) to determine whether they are unreasonable. Although the ACA does not grant HHS the authority to block a proposed rate increase, companies whose rates have been determined unreasonable must either reduce their rate hikes or post a justification on their website within 10 days of the rate review determination.

In the first federal rate review under the ACA, HHS announced that Everence's 12% rate increase for small businesses in Pennsylvania was excessive. After reviewing the rate, independent experts determined the choice of assumptions the company based its rate increase on reflected national data rather than reliable and available state data. These assumptions resulted in an unreasonably high premium in relation to the benefits provided. An HHS official said the Everence rate is the second double-digit increase HHS has reviewed using its new authority. The other rate was deemed reasonable.

For more information about this rate review and to find state rate increase information, visit:
<http://companyprofiles.healthcare.gov/>

For general information about rate review, visit:
<http://www.healthcare.gov/law/features/costs/rate-review/>

11/21/11 President Obama signed H.R. 674 into law which amends the definition of modified adjusted gross income (MAGI) in the ACA used to determine health coverage eligibility. This amends §2002 of the ACA which requires states to use MAGI and changes the way that income is calculated for determining benefits by adding nontaxable Social Security income to the MAGI definition.

H.R. 674 requires all Social Security benefits to be included as part of modified adjusted gross income (MAGI) for purposes of determining eligibility for certain Medicaid applicants and subsidies for health insurance purchased through the new health insurance exchanges to be established under the ACA.

Under the ACA as written, the nontaxable portion of those benefits would have been excluded from MAGI for such eligibility determinations. This so-called "glitch" was criticized by some as providing a way for middle class families to be eligible for Medicaid.

The Congressional Budget Office (CBO) estimates that the eligibility rule changes to the MAGI definition in H.R. 674 could affect eligibility for as many as 1 million people. The CBO estimates that enacting the legislation would reduce deficits by almost \$3 billion over the 2012-2016 period and by about \$13 billion over the 2012-2021 period.

Read the White House's Statement of Administrative Policy expressing support for H.R. 674 at:

[White House Statement](#)

Read the bill at: <http://www.gpo.gov/fdsys/pkg/BILLS-112hr674enr/pdf/BILLS-112hr674enr.pdf>

11/18/11 HHS announced an update to the current HealthCare.gov Insurance Finder, a website tool created under §1103 of the ACA for consumers to find and compare health insurance plans. The updates to the online tool allow small business owners to compare benefits and costs of health plans in their area. The update includes new features that provide information on: 1) Insurance options within a given zip code that can be sorted based on factors such as average cost per enrollee; 2) Summary of costs and coverage including deductible and co-pay options and other benefits available at additional costs; and 3) The ability to filter products depending on whether the plans cover maternal or mental health coverage, and allow for domestic or same sex partner coverage. More than 530 insurers have provided information for over 2,700 coverage plans in every state and the District of Columbia.

More information is available at: <http://www.hhs.gov/news/press/2011pres/11/20111118a.html>

View the health insurance finder at: <http://finder.healthcare.gov/>

11/17/11 Department of Labor posted a 7th set of Frequently Asked Questions (FAQ's) regarding implementation of the market reform provisions of the ACA. These FAQ's have been prepared jointly by the Departments of Health and Human Services (HHS), Labor and the Treasury. Like previously issued FAQ's (available at: www.dol.gov/ebsa/healthreform/), these FAQ's answer questions from stakeholders to help people understand the new law and benefit from it, as intended.

The FAQ's can be found at: <http://www.dol.gov/ebsa/faqs/faq-aca7.html>

11/16/11 The National Governors Association (NGA) has selected six states to participate in individual state-based retreats on insurance exchanges customized to address each state's unique circumstances. A day-long program in the team's home state will allow state health officials to work together with nationally recognized health policy experts to determine strategy, work through exchange planning and implementation tasks and to identify key state-level decisions. NGA staff will also schedule follow-up consultations with states. The

six states are Alabama, Illinois, Kentucky, Nevada, Utah and Washington.
Additional information can be found at: [NGA](#)

Upcoming Events

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Wednesday, December 21, 2011 from 10 AM- 11 AM
1 Ashburton Place, 21st Floor
Boston, MA

MFP Waiver Topical Discussion Group

Friday, December 16, 2011 from 10:30 AM - 12 PM
France Conference Room, UMass Medical School
333 South Street
Shrewsbury, MA

Money Follows the Person Working Group

Thursday, February 2, 2012 from 2 PM - 3:30 PM
Saxe Conference Room
Worcester Public Library
3 Salem Square
Worcester, MA

Please contact MFP@state.ma.us to attend the MFP meeting and to request reasonable accommodations.

More information on MFP can be found at: [Money Follows the Person](#)

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.