



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
600 Washington Street
Boston, MA 02111
www.mass.gov/dma

MassHealth
All Provider Bulletin 130
December 2003

TO: All Providers Participating in MassHealth

FROM: Beth Waldman, Acting Commissioner

A handwritten signature in cursive script that reads "Beth Waldman".

RE: **Change in MassHealth Copayment Policy**

Introduction

The information in this bulletin is about MassHealth copayments, and primarily affects pharmacies and acute hospitals participating in MassHealth. All providers, however, should be aware of these copayments, especially when prescribing drugs or referring MassHealth members for services in an acute inpatient hospital setting or a hospital emergency department.

The Division will change its policy on the MassHealth copayments effective February 1, 2004. Members will receive notices about the Division's change in copayment policy within the next two weeks. This bulletin provides a summary of the changes in the Division's policy and an advance copy of the notice that will be sent to members. We are sending this bulletin before MassHealth members are notified of the change. The Division will send updated provider regulations about this policy in January 2004.

Change in Copayments

The Division will change the copayment amount for prescription drugs from \$2 for all prescriptions, to \$1 for multiple-source drugs and nonlegend (over-the-counter) drugs, and \$3 for all other pharmaceuticals. The Division will also establish a copayment of \$3 for nonpsychiatric acute inpatient hospital stays. This copayment is in addition to the existing MassHealth hospital copayment of \$3 for nonemergency use of a hospital emergency department. The Division collects MassHealth copayments from the provider by deducting the amount of the copayment from the MassHealth payment to the provider.

Copayment Cap

The Division will establish calendar-year copayment caps of \$200 for pharmacy services and \$36 for non-pharmacy services. These caps are the maximum amounts that a member can be charged in copayments within a calendar year. Since this new policy will be effective February 1, 2004, the Division will adjust the caps for calendar year 2004 to \$184 for pharmacy services and \$33 for non-pharmacy services.

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**Individuals
Excluded from
the MassHealth
Copayment
Requirement**

The following individuals cannot be charged a copayment:

- members under 19 years of age;
 - members who are pregnant or in the postpartum period that extends through the last day of the second calendar month following the month in which their pregnancy ends (for example, if the woman gave birth May 15, she is exempt from the copayment requirement until August 1);
 - MassHealth Limited members;
 - MassHealth Senior Buy-In members or MassHealth Standard members for Medicare-covered drugs only, when provided by a Medicare-certified provider;
 - members who are inpatients in nursing facilities, chronic-disease or rehabilitation hospitals, or intermediate-care facilities for the mentally retarded, or who are admitted to an acute hospital from such a facility;
 - members receiving hospice services; and
 - persons receiving medical services through the Emergency Aid to the Elderly, Disabled and Children Program pursuant to 130 CMR 450.106, if they do not receive MassHealth Basic, MassHealth Essential, or MassHealth Standard.
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**Additional
Exclusions for
Pharmacy Services**

There is no MassHealth pharmacy copayment for:

- family-planning services and supplies;
 - members who have reached their pharmacy copayment cap—meaning those members who pay and/or incur charges for MassHealth pharmacy copayments totaling \$184 in calendar year 2004 (\$200 in succeeding calendar years);
 - members who are inpatients in hospitals (There is no separate pharmacy copayment for members who are inpatients in hospitals.); and
 - emergency services.
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**Additional
Exclusions for
Non-Pharmacy
Services**

There is no MassHealth non-pharmacy copayment for:

- family-planning services and supplies;
 - hospital services provided to members who have other comprehensive medical insurance, including Medicare;
 - members who have reached their non-pharmacy copayment cap—meaning those members who pay and/or incur charges for MassHealth non-pharmacy copayments totaling \$33 in calendar year 2004 (or \$36 in succeeding calendar years);
 - mental health and substance abuse-related services; and
 - emergency services.
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Determining If a Member Needs to Pay a MassHealth Copayment

A member may not know if he or she has met an annual cap or does not otherwise need to pay a MassHealth copayment. The Recipient Eligibility Verification System (REVS) will usually indicate if a member is excluded from the copayment, except if the member is pregnant or in the postpartum period described on page 2 of this bulletin, or receiving emergency services. POPS identifies if any copayment amount is due on each claim. REVS will indicate if the member has met the calendar-year maximum for non-pharmacy services and pharmacy services, respectively, based on the information available to MassHealth through claims.

Collecting Copayments from the Member

It is the provider's responsibility to collect the copayment from the member, if a copayment is due. Providers must give members who pay a copayment a receipt. If a copayment is due, but the member does not pay it at the time of service, the member remains responsible for the copayment, and the provider may bill the member for the copayment. However, providers may not refuse to provide a covered service to a MassHealth member who is unable to pay the copayment at the time of service.

Copayment Cap Letter

When a member reaches either copayment cap for the calendar year, the Division or the member's MCO sends the member a letter stating that the particular copayment cap has been met. The member may use this letter as proof of having met the copayment cap. When a member presents such a letter, the provider should not charge the member a copayment. If the copayment is for a pharmacy service, and POPS shows that there is a copayment due, the pharmacist should call the ACS Hotline at 1-866-246-8503 and fax the letter to ACS at 1-866-556-9314. ACS will determine if a copayment will be deducted from the provider's payment.

Self-Declaration of Exclusion from Copayment Requirement

Because of the time required for claims processing and data-sharing, it is possible for a member to have met a copayment maximum or otherwise be excluded from the copayment requirement, and not be identified as such on REVS or POPS.

Providers may not charge a copayment at the time of service to a member who states that he or she has met one of the exclusions from the copayment requirement. If the provider does not charge the member a copayment and later discovers that the member was not excluded from the copayment requirement, the provider may bill the member for the unpaid copayment.

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Claims That Are Reduced by the Amount of the Copayment

When a service requiring a MassHealth copayment is provided to a member who is subject to the copayment requirement, the Division will reduce the payment for the service by the amount of the required copayment. The following claims will be reduced by the amount of the required copayment:

- pharmacy claims for covered drugs;
- acute inpatient hospital claims for nonpsychiatric acute inpatient hospital stays with Value Code X1 (standard payment amount per discharge); and
- acute outpatient hospital claims with HCPCS code and modifier T1023-U1 (emergency department screening).

If a copayment is not due because the member is exempt, the service is exempt, or the member has met his or her copayment cap, the Division will not deduct the amount of the copayment from the MassHealth payment to the provider.

Correcting the Deduction of a Copayment Amount from a Claim

If a **pharmacy** provider believes that a copayment was incorrectly deducted from a claim, the provider can void and replace the claim on POPS. If a **hospital** believes that a copayment was incorrectly deducted from a claim, the hospital may submit an adjustment claim (for 837I transactions, the provider can void and replace the claim).

Incorrectly Collected Copayment

A provider must reimburse the copayment to a member who has paid the provider a copayment, but who is exempt, has reached his or her calendar-year maximum, or has been charged a copayment for an excluded service. Providers must keep all records necessary to determine if a copayment was collected from a member for a particular service on a specific date.

Special Rules for Members Enrolled in a MassHealth MCO

MassHealth members enrolled with an MCO must make copayments in accordance with the MassHealth copayment policy. These MassHealth MCO copayments exclude the same persons and services as the fee-for-service MassHealth copayment requirements, and cannot exceed the amounts charged to Primary Care Clinician (PCC) and fee-for-service MassHealth members.

Copy of Notice

Attached is a copy of the notice that will be sent to MassHealth members. If members have questions about the MassHealth copayment policy, they should call the MassHealth Customer Service Center at 1-800-841-2900 (TTY: 1-800-497-4648 for people with partial or total hearing loss).

Questions

Non-pharmacy MassHealth providers may call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231 with any questions about the information in this bulletin. Pharmacy providers may call the ACS Provider Hotline at 1-866-246-8503.



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance
www.mass.gov/dma

Sample Notice to Members about Copayments

December 2003

This is an important message about your MassHealth benefits.

New Rules about Copayments

The copayment rules for MassHealth members are changing as of **February 1, 2004**. Even with these changes, MassHealth members will pay less in copayments for health care than most other health plans.

There are two types of MassHealth copayments: *pharmacy copayments* and *non-pharmacy copayments*.

As of February 1, 2004, the MassHealth copayments for **pharmacy services** will be:

- \$1 for **generic drugs** and **over-the-counter drugs** covered under MassHealth, for both first-time prescriptions and refills; and
- \$3 for **brand-name drugs** covered under MassHealth, for both first-time prescriptions and refills.

As of February 1, 2004, the MassHealth copayments for **non-pharmacy services** will be:

- \$3 when you use an **emergency department when it is not an emergency** (this is not a new requirement); and
- \$3 for **acute inpatient hospital stays**.

If you are unable to pay a copayment at the time of service, your provider still must fill your prescription and provide treatment. However, your provider can bill you later for the copayment. You should not go without necessary medications because you cannot afford the copayment now.

You will not have to pay a MassHealth copayment for any service covered by MassHealth *if*:

- you are under 19 years old;
- you are pregnant;
- your pregnancy ended within 60 days of the service;
- you are getting benefits under MassHealth Limited (emergency MassHealth);
- you are getting a Medicare-covered drug at a pharmacy that is a certified provider for Medicare and you are getting benefits under MassHealth Senior Buy-In (MassHealth and Medicare) or under MassHealth Standard;
- you are an inpatient in a nursing facility, chronic-disease or rehabilitation hospital, or intermediate-care facility for the mentally retarded, or are admitted to a hospital from such a facility;
- you are getting EAEDC (Emergency Aid to the Elderly, Disabled and Children) Program services, and are not covered under MassHealth Basic, Essential, or Standard; or
- you are getting hospice care.

You also do not have to pay a MassHealth copayment for:

- pharmacy services while you are an inpatient in a hospital or an intermediate care facility for the mentally retarded (However, you may still have to pay a non-pharmacy copayment.);
- hospital services (non-pharmacy copayment) when you have other comprehensive medical insurance, including Medicare (However, you may still have to pay a pharmacy copayment.);
- family-planning services;
- mental health or substance abuse-related services provided by a hospital; or
- emergency services.

If your health-care provider charges a copayment and you do not think you have to pay, be sure to tell your provider.

Cap on Copayment Amount

There is a cap on the amount of copayments each MassHealth member is liable for in a calendar year (January through December). The cap is the total amount of the copayments you have been charged, whether or not you have actually paid the copayment.

The MassHealth cap for **pharmacy copayments** for a full year is \$200. The MassHealth cap for **non-pharmacy copayments** for a full year is \$36. Since the new rules go into effect February 1, 2004, we have adjusted the cap for the calendar year 2004. The MassHealth cap for pharmacy copayments in 2004 is \$184. The MassHealth cap for non-pharmacy copayments in 2004 is \$33.

Each member of your family will be charged for copayments until he or she reaches each cap. For example, if you have met your pharmacy cap by September, you will not have to make pharmacy copayments until January 1 of the next year, but you will still be responsible for non-pharmacy MassHealth copayments until you have met that cap.

Notice of Meeting Caps

If you meet either MassHealth copayment cap, we will send you a letter stating that you do not have to pay copayments for the rest of the calendar year. You should keep these letters and show them to your providers if they say that you must pay a copayment.

Keeping Track of Copayments

It's a good idea to keep track of your copayments for the calendar year. If you think you have met your cap and the provider says you owe a copayment, you can let us know.

Your provider will give you a receipt when you pay a copayment. If you do not get a receipt from your provider, make sure to ask for one. If you are unable to pay the copayment, the pharmacist or hospital may give you a bill. The receipts and bills should show the name of the provider, type of service, date of service, your name, and the amount you paid or are responsible to pay.

Make sure to track your pharmacy copayment receipts and bills separately from your non-pharmacy copayment receipts and bills. You only need to send us copies of your original bills and receipts if you have met your cap but have not received a letter from us telling you that you have met your cap. If this happens, send copies of the original receipts and bills to the address listed below, along with your social security number or MassHealth ID number.

Division of Medical Assistance
Attn: CARE Coordinator
600 Washington Street
Boston, MA 02111

Once we receive your receipts and bills, we will send you a letter letting you know if you have reached your yearly cap.

Special Rules for Members Enrolled in a MassHealth MCO (Fallon, NHP, Network Health, and BMC HealthNet Plan)

If you are enrolled in one of the above MassHealth MCOs, you must follow the copayment rules of the MCO. The MCO pharmacy copayment rules are the same as for all other MassHealth members. There are currently no copayments for non-pharmacy services if you are enrolled with a MassHealth MCO.

Refer to the MCO's MassHealth copayment policy to find out how to submit copayment receipts. You should receive a letter from your MCO about their copayment policies by January 1, 2004.

Questions

If you have questions about this change, call the MassHealth Customer Service Center at the phone number listed below between 8:00 A.M. and 5:00 P.M., Monday through Friday.

MassHealth Customer Service Center
1-800-841-2900 (TTY: 1-800-497-4648 for people with partial or total hearing loss).

If you are enrolled with a MassHealth MCO and you have questions about the copayment policy, please contact the customer service center at your MCO.