***Commonwealth of Massachusetts***

***Executive Office of Health and Human Services***

***Office of Medicaid***

[*www.mass.gov/masshealth*](http://www.mass.gov/masshealth)

MassHealth

# All Provider Bulletin 315

April 2021

**TO**: All Providers Participating in MassHealth

**FROM**: Daniel Tsai, Assistant Secretary for MassHealth [signature of Daniel Tsai]

RE: Change in Pharmacy Copay and Premium Policies

## Background

**MassHealth is revising its cost sharing policies to limit members’ copay and premium obligations to 5% of the member’s monthly household income.** These changes are being implemented in two phases: the first phase became effective on July 1, 2020, and the second phase will become effective on July 1, 2021. **There will be no changes to the copay exclusions that became effective July 1, 2020.** For a complete list of copay exclusions, please refer to 130 CMR 450.130(D) and (E).

Effective July 1, 2021, MassHealth will replace the current $250 annual pharmacy copay cap with a **member-specific** **monthly copay cap not to exceed 2% of the member’s monthly household income**.[[1]](#footnote-2)

* A copay cap is the highest dollar amount that a member can be charged in copays in a month.
* MassHealth will calculate a monthly copay cap for each member based on the lowest income in their household and their household size, as applicable. MassHealth will round the member’s monthly copay cap down to the nearest ten-dollar increment up to $60 and determine their final monthly copay cap as shown in the table below.

| **If a member’s monthly copay cap is calculated to be:** | **Their final monthly copay cap will be:** |
| --- | --- |
| $0 to $9.99 | No Copays |
| $10 to $19.99 | $10 |
| $20 to $29.99 | $20 |
| $30 to $39.99 | $30 |
| $40 to $49.99 | $40 |
| $50 to $59.99 | $50 |
| $60 or Greater | $60 |

* For example, if a member’s monthly copay cap is $12.50 in July, the member will not be charged more than $10 of copays in July. If the member’s household income or family size changes in August, their monthly copay cap may change for August.
* If members have questions about the copay policy, they can reach the Member Customer Service Center (CSC) at (800) 841-2900, Monday through Friday between 8:00 a.m. and 5:00 p.m. For TTY, members can call (800) 497-4648 during the same hours.
* MassHealth **premiums will not exceed 3% of the member’s monthly household income**, as applicable. This limit does not apply to CommonHealth members.

## POPS Claim Response

The Pharmacy Online Processing System (POPS) will track members’ monthly copay caps and accumulated copay amounts as part of the claim response. Please note that if in the adjudication of a POPS claim a copay is applicable, the dollar amount is returned in the response field “Amount of Copay”/ 518-FI.

**EVS Updates**

The Eligibility Verification System (EVS) on the Provider Online Service Center (POSC) will also be updated to display the new copay information as outlined below.

| Message Trigger Scenario | Business Logic | Message Structure |
| --- | --- | --- |
| Member has met pharmacy copay cap for the Tracking Period | Accumulated Pharmacy Copays for the current Tracking Period is greater than or equal to the Pharmacy Copay Cap for the Tracking Period. | Member has met the pharmacy copay cap for the month of [MM/CCYY] |
| Member is exempt from pharmacy copay | Member is exempt from pharmacy Copays for the current Tracking Period due to a categorical exclusion | Member is exempt from pharmacy copays for the month of [MM/CCYY] |
| Always show on Copay Panel | The message is shown every time user accesses a screen | Copays apply only to drugs dispensed at pharmacies. All applicable copay amount(s) will be identified on the pharmacy provider’s claim remittance. For a list of copay-exempt members and drugs, refer to 130 CMR 450.130. |

## Notifications of These Changes

Beginning in May 2021, MassHealth will send a notice to members explaining these changes and notifying members of their initial monthly copay cap. Starting July 1, 2021, MassHealth will send a notice to members whenever their monthly copay cap changes or whenever they meet their current monthly copay cap. Copies of these member notices are attached to this bulletin.

Pharmacies will also receive this information in a Pharmacy Facts closer to the July 1, 2021, implementation date.

## Trading Partner Testing

On July 1, 2021, MassHealth will also implement minor changes to the HIPAA Health Care Benefit Inquiry and Response (270/271) transaction to provide information about the member’s copay status. The change is limited to the electronic eligibility response (271) file only. The 271 response will include additional information (EB01, 02 03, 06, 07) in Loop 2110C – Subscriber Eligibility or Benefit Information.

MassHealth began communicating the minor changes within the 270/271 transaction to providers in January 2021. All providers and trading partners (clearinghouse, billing intermediary, software vendor) who send and receive 270/271 electronic HIPAA transactions should evaluate the changes outlined in the MassHealth Companion Guide at [www.mass.gov/lists/masshealth-hipaa-companion-guides](https://www.mass.gov/lists/masshealth-hipaa-companion-guides) to ensure that their systems can accept the additional information within that Loop.

MassHealth initiated Trading Partner Testing (TPT) of this minor modification in April with a designated set of trading partners.

Providers that have any questions related to the 270/271 changes should contact MassHealth Customer Service Center’s EDI team at [edi@mahealth.net](mailto:edi@mahealth.net)  or (800) 841-2900 (Press 2, 3, 1, 1 to reach EDI).

## MassHealth Website

This bulletin is available on the MassHealth [All Provider bulletins](https://www.mass.gov/lists/all-provider-bulletins) page.

To sign up to receive email alerts when MassHealth issues new bulletins and transmittal letters, send a blank email to [join-masshealth-provider-pubs@listserv.state.ma.us](Mailto:join-masshealth-provider-pubs@listserv.state.ma.us). No text in the body or subject line is needed.

## Questions

### Pharmacy Providers

Pharmacy providers who have any questions regarding Pharmacy Billing and Claims should contact the MassHealth Pharmacy Technical Help Desk at (866) 246-8503.

Pharmacy providers who have any other questions about the information in this bulletin, or member eligibility, should contact the MassHealth Customer Service Center at (800) 841-2900, Monday through Friday between 8:00 a.m. and 5:00 p.m. For TTY, call (800) 497-4648 during the same hours.

### Long-Term Services and Supports Providers

If you have any questions about the information in this bulletin, please contact MassHealth Long Term Services and Supports (LTSS) Provider Service Center at (844) 368-5184, or email your inquiry to [support@masshealthltss.com](mailto:support@masshealthltss.comt).

### All Other Providers

If you have any questions about the information in this bulletin, please contact the MassHealth Customer Service Center at (800) 841-2900, TTY: (800) 497-4648, or email your inquiry to [providersupport@mahealth.net](mailto:providersupport@mahealth.net).



*Commonwealth of Massachusetts* **Copay Cap Notice**

*Executive Office of Health and Human Services* [*www.mass.gov/masshealth*](http://www.mass.gov/masshealth)

«FIRSTNAME» «LASTNAME» «DATE»

«STREET1» «STREET2»

«CITY», MA «ZIP»

**IMPORTANT INFORMATION ABOUT YOUR MASSHEALTH COPAY**

**THIS IS NOT A BILL**

MassHealth ID: «MASSHEALTHIDNUMBER»

Dear «FIRSTNAME» «LASTNAME»:

**Based on your MassHealth eligibility, your monthly copay cap is «dollar amount», beginning «MM/DD/YYYY».** A copay is the amount that a member pays the pharmacy out-of-pocket for drugs covered by MassHealth. MassHealth members pay copays for drugs unless there’s an exclusion. MassHealth members who have copays also have a monthly copay cap. A monthly copay cap is the most that you have to pay in copays each month.If you reach your copay cap in a calendar month, you will not have to pay copays for the rest of the month. We will send you another letter if you reach the copay cap in any month. Our system should automatically stop charging you copays for the rest of that month once you hit your cap.

Your copay cap will start over on the first day of each month. Your copay cap will stay the same unless you have a change in your situation, such as income or family size, or if you meet an exclusion. You must report any changes to MassHealth within **10 days** of a change or as soon as possible. If MassHealth determines that your copay cap changes, we will send another letter to let you know the new amount and start date.

You can ask for a fair hearing if you do not agree with your copay cap. Read ***How to Ask for a Fair Hearing*** that came with this letter.

If you have any questions about this letter, or for more information, please visit [http://www.mass.gov/masshealth](http://http://www.mass.gov/masshealth). You can also read the MassHealth Member Booklet or Senior Guide to Health Care Coverage. For a full list of copay amounts, types of members and drugs excluded from copays, and other copay policies, visit [www.mass.gov/service-details/covered-services](file:///C:/Users/acollas/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/JZ3TR2RX/www.mass.gov/service-details/covered-services). For additional services or questions, call us at (800) 841-2900 (TTY: (800) 497-4648) Monday through Friday, between 8:00 a.m. and 5:00 p.m.

Sincerely,

MassHealth

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*Commonwealth of Massachusetts* **Copay Cap Met Notice**

*Executive Office of Health and Human Services* [*www.mass.gov/masshealth*](http://www.mass.gov/masshealth)

«FIRSTNAME» «LASTNAME» «DATE»

«STREET1» «STREET2»

«CITY», MA «ZIP»

**IMPORTANT INFORMATION ABOUT YOUR MASSHEALTH COPAY**

**THIS IS NOT A BILL**

MassHealth ID: «MASSHEALTHIDNUMBER»:

Dear «FIRSTNAME» «LASTNAME»,

You do not have to pay copays starting on «MM/DD/YYYY» for the rest of «MONTH» «YEAR». This is because you have reached your monthly copay cap of «dollar amount». MassHealth members pay copays on drugs unless there’s an exclusion. A copay is the amount that a member pays the pharmacy out-of-pocket for drugs covered by MassHealth. A monthly copay cap is the most that you have to pay in copays each month. MassHealth members who have copays also have a monthly copay cap. You may still have to pay the copays that were used to reach your monthly cap if you did not pay at the time of service.

Your monthly copay cap will start over on the first day of each month. Your copay cap will stay the same unless you have a change in your situation, such as income or family size, or if you meet an exclusion. You must report any changes to MassHealth within **10 days** of a change or as soon as possible.

If you have any questions about this letter or need more information, please visit [www.mass.gov/masshealth](http://www.mass.gov/masshealth). You can also read the MassHealth Member Booklet or the Senior Guide to Health Care Coverage. For a full list of copay amounts, types of members and drugs excluded from copays, and other copay policies, please visit [www.mass.gov/service-details/covered-services](file:///C:/Users/ckarabin/Documents/Client%20Work/Massachusetts/Cost%20Sharing/www.mass.gov/service-details/covered-services). For additional services or questions, please call us at (800) 841-2900 (TTY: (800) 497-4648) Monday through Friday, between 8:00 a.m. and 5:00 p.m.

Sincerely,

MassHealth

1. **Please note**: Members will be subject to the new copay policy starting July 1, 2021. However, for the duration of the COVID-19 Public Health Emergency, MassHealth will also ensure that members will not be charged more than $250 in total copays annually. [↑](#footnote-ref-2)