



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
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MassHealth
Eligibility Letter 121
April 1, 2004

TO: MassHealth Staff

FROM: Beth Waldman, Medicaid Director *BW*

RE: Changes to Guidelines for Waiver or Reduction of MassHealth Premium Due to Extreme Financial Hardship

MassHealth is supplementing the guidelines used to determine extreme financial hardship when a member requests a waiver or reduction of their MassHealth premium.

The member will be required to show, to the satisfaction of MassHealth, homelessness, threat of eviction or foreclosure, shut off of essential utilities, medical or dental expenses, or a significant increase in expenses in the previous six months.

These regulations are effective April 15, 2004.

MANUAL UPKEEP

| <u>Insert</u> | <u>Remove</u> | <u>Trans. By</u> |
|----------------------|----------------------|-------------------------|
| 506.011 (1 of 6) | 506.011 (1 of 5) | E.L. 114 |
| 506.011 (2 of 6) | 506.011 (2 of 5) | E.L. 114 |
| 506.011 (3 of 6) | 506.011 (3 of 5) | E.L. 114 |
| 506.011 (4 of 6) | 506.011 (4 of 5) | E.L. 114 |
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506.011: MassHealth Standard, CommonHealth, and Family Assistance Premiums

(A) MassHealth Standard, CommonHealth, and Family Assistance Premiums. MassHealth may charge a premium to certain disabled MassHealth Standard members with incomes above 114 percent of the federal poverty level and to certain other MassHealth Standard members with incomes above 133 percent of the federal poverty level, including women with breast and cervical cancer who receive Standard in accordance with 130 CMR 505.002(H). MassHealth may charge a premium to certain MassHealth CommonHealth and Family Assistance members with incomes above 100 percent of the federal poverty level. Only one premium per family group will be assessed. Certain members are exempt from paying premiums, in accordance with 130 CMR 506.011(K).

(1) MassHealth Standard premiums for children and disabled members are based on family group gross countable income, family group size as it relates to the federal poverty level guidelines, and whether or not the member has other health insurance. Premiums for women with breast and cervical cancer are based on family group gross countable income and family group size as it relates to the federal poverty guidelines.

(2) MassHealth CommonHealth premiums are based on family group gross countable income, family group size as it relates to the federal poverty level income guidelines, and whether or not the member has other health insurance.

(3) MassHealth Family Assistance premiums for the purchase of medical benefits, as described in 130 CMR 505.005(E), are based on the number of eligible members in the family group.

(4) When the family group contains members in more than one coverage type who are responsible for a premium or member share, the family group is responsible for only the higher premium amount or member share.

(B) Premium Payments. MassHealth may charge monthly premiums to persons described in 130 CMR 501.006, 505.002(C)(2), (F)(2), and (H), 505.004(B), (C), (D), and (E), and 505.005(B)(3), (E), (F), and (G).

(1) Persons described in 130 CMR 501.006, 505.002(C)(2), (F)(2), and (H), 505.004(B), (C), (D), and (E), and 505.005(B)(3), (E), (F), and (G) who are assessed a premium are responsible for monthly premium payments beginning with the calendar month following the date of MassHealth's eligibility determination.

(2) Persons described in 130 CMR 505.004(C) who are assessed a premium, are responsible for monthly premium payments beginning with the calendar month following the date the deductible period ends, or the calendar month following the month in which the member has verified that the deductible has been met, whichever is later.

(3) Members who are assessed a revised premium as the result of a reported change, or any adjustment in the premium schedule are responsible for the new premium payment beginning with the calendar month following the reported change.

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(4) Members who have been assessed premiums but who are subsequently determined eligible for a coverage type other than Standard, CommonHealth, or Family Assistance are not charged a premium for the calendar month in which the coverage type changes or thereafter.

(C) Delinquent Premium Payments. If MassHealth has billed a member for a premium payment, and the member does not pay all of the amount billed within 60 days of the date on the bill, then the member's eligibility for benefits is terminated, except as provided below. The member will be sent a notice of termination before the date of termination. The member's eligibility will not be terminated if, before the date of termination, the member:

(1) pays all amounts that have been billed 60 days or more before the date such payment is made; or

(2) establishes a payment plan acceptable to MassHealth. After such a payment plan has been established, MassHealth bills the member for:

(a) payments in accordance with the payment plan; and

(b) monthly premiums due subsequent to the establishment of the payment plan. If the member does not make payments in accordance with the payment plan within 30 days of the date on the bill, the member's eligibility is terminated. If the member does not pay monthly premiums due subsequent to the establishment of the payment plan within 60 days of the date on the bill, the member's eligibility is terminated.

(D) Reactivating Coverage Following Termination Due to Delinquent Payment.

(1) If no waiting list has been established pursuant to 130 CMR 501.003(C) and (D), after the member has paid in full all payments due, or has established a payment plan with MassHealth, MassHealth will reactivate coverage.

(2) If a waiting list has been established, adults (aged 19 or older) whose eligibility has been terminated due to nonpayment of premiums will be placed on the waiting list upon payment of all payments due. They will not be allowed to reenroll until MassHealth is able to reopen enrollment for those placed on the waiting list. When MassHealth is able to open enrollment for those on the waiting list, their eligibility will be processed in the order they were placed on the waiting list.

(E) Waiver of Outstanding Premium Payments. If a member whose eligibility has been terminated due to nonpayment of premiums reapplies and is determined eligible for MassHealth after 24 months, the outstanding premium payments are waived.

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(F) Waiver or Reduction of Premiums for Extreme Financial Hardship.

(1) Extreme financial hardship means that the member has shown to the satisfaction of MassHealth that the member:

(a) is homeless, or is more than 30 days in arrears in rent or mortgage payments, or has received a current eviction or foreclosure notice;

(b) has a current shut-off notice, or has been shut off, or has a current refusal to deliver essential utilities (gas, electric, oil, water, or telephone);

(c) has medical and/or dental expenses that total more than 7.5% of the family group's gross annual income that have not been paid by a third party insurance, including MassHealth; or

(d) has experienced a significant, unexpected increase in essential expenses within the last six months.

(2) If MassHealth determines that the requirement to pay a premium results in extreme financial hardship for a member, MassHealth may, in its sole discretion, waive payment of the premium or reduce the amount of the premiums assessed to a particular family.

(3) Hardship waivers will be authorized for six months. At the end of the six-month period, the member may submit another request. Requests for premium relief should be addressed to MassHealth.

(G) Voluntary Withdrawal. If a member voluntarily withdraws, coverage continues through the end of the calendar month of withdrawal. The member is responsible for the payment of all premiums through the calendar month of withdrawal.

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(H) Change in Premium Calculation. The premium amount is recalculated when MassHealth is informed of changes in income, family group size, or health-insurance status, and whenever an adjustment is made in the CommonHealth premium schedule, the Standard premium schedule, or the Family Assistance premium amount for the purchase of medical benefits.

(I) The Monthly MassHealth Standard and CommonHealth Premium Schedule. 130 CMR 506.011(I) provides the formulas that MassHealth uses to determine the monthly premiums for people who are receiving MassHealth Standard or CommonHealth, and for certain MassHealth Family Assistance members who are HIV positive.

(1) Monthly Full Premium Formula for CommonHealth and Certain Family Assistance Members Receiving Benefits under 130 CMR 505.005(F) and (G). Full payment is required of members who have no health insurance and of members for whom MassHealth is paying a portion of their health-insurance premium. The full premium formula is provided below.

| <i>FULL PREMIUM FORMULA</i> | | |
|------------------------------------|--|------------------------------|
| Base Premium | Additional Premium Cost | Range of Premium Cost |
| Above 100% to 150% | \$15 per family group | \$15 |
| Above 150% FPL— start at \$15 | Add \$5 for each additional 10% FPL until 200% FPL | \$15 — \$35 |
| Above 200% FPL— start at \$40 | Add \$8 for each additional 10% FPL until 400% FPL | \$40 — \$192 |
| Above 400% FPL— start at \$202 | Add \$10 for each additional 10% FPL until 600% FPL | \$202 — \$392 |
| Above 600% FPL— start at \$404 | Add \$12 for each additional 10% FPL until 800% FPL | \$404 — \$632 |
| Above 800% FPL— start at \$646 | Add \$14 for each additional 10% FPL until 1000% | \$646 — \$912 |
| Above 1000% FPL— start at \$928 | Add \$16 for each additional 10% FPL | \$928 + greater |

(2) Monthly Supplemental Premium Formula. A lower supplemental payment is required of members who have health insurance to which MassHealth does not contribute. The supplemental premium formula is provided below.

| <i>SUPPLEMENTAL PREMIUM FORMULA</i> | |
|---|---------------------|
| % of Federal Poverty Level (FPL) | Premium Cost |
| Above 100% to 150% | 60% of full premium |
| Above 150% to 200% | 60% of full premium |
| Above 200% to 400% | 65% of full premium |
| Above 400% to 600% | 70% of full premium |
| Above 600% to 800% | 75% of full premium |
| Above 800% to 1000% | 80% of full premium |
| Above 1000% | 85% of full premium |

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(3) Monthly Premium Schedule for Standard Disabled (Not Applicable for Parents and Children).

| % of Federal Poverty Level (FPL) | Premium Cost |
|---|-----------------------|
| Up to 114% | No premium |
| Above 114% | \$12 per family group |
| Supplemental Premium | 60% of full premium |

(4) Monthly Premium Schedule for Standard Children.

| % of Federal Poverty Level (FPL) | Premium Cost |
|---|---|
| Above 133% to 150% | \$12 per child to \$15 maximum per family group |
| Supplemental Premium | 60% of full premium |

(5) Monthly Premium Schedule for Women with Breast or Cervical Cancer. Women with breast or cervical cancer who are described at 130 CMR 505.002(H) and have income above 133 percent of the federal poverty level in accordance with DPH requirements as certified by DPH to MassHealth are assessed a monthly premium in accordance with the following premium schedule.

| % of Federal Poverty Level (FPL) | Premium Cost |
|---|---------------------|
| Above 133% to 160% | \$15 |
| Above 160% to 170% | \$20 |
| Above 170% to 180% | \$25 |
| Above 180% to 190% | \$30 |
| Above 190% to 200% | \$35 |
| Above 200% to 210% | \$40 |
| Above 210% to 220% | \$48 |
| Above 220% to 230% | \$56 |
| Above 230% to 240% | \$64 |
| Above 240% to 250% | \$72 |

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(J) Monthly Family Assistance Premiums for the Purchase of Medical Benefits.

(1) MassHealth Family Assistance members with income greater than 150 percent up to 200 percent of the federal poverty level for whom MassHealth purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium of \$12 per child, with a maximum of \$36 per family.

(2) MassHealth Family Assistance members with income between 100 and 150 percent of the federal poverty level for whom MassHealth purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium of \$12 per child, with a maximum of \$15 per family.

(K) Members Exempted from Premium Payment. The following members are exempt from premium payments.

(1) Members who are eligible under section 1634 of the Social Security Act as a disabled adult child or as a disabled widow or widower, or who are eligible under the provisions of the Pickle Amendment, as described in 130 CMR 519.003.

(2) Pregnant women and children under the age of six who are receiving MassHealth Standard.

(3) MassHealth Family Assistance members who are American Indians or Alaska Natives, as defined in 130 CMR 501.001.