



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
www.mass.gov/masshealth

MassHealth
Eligibility Letter 148
July 1, 2006

TO: MassHealth Staff

FROM: Beth Waldman, Medicaid Director *BW*

RE: **Changes to Family Assistance Regulations**

MassHealth is expanding the financial eligibility criteria for MassHealth Family Assistance from 200% to 300% of the federal-poverty level (FPL) for applicants and members under age 19 who are citizens and qualified aliens.

The applicants and members under age 19 in this income range will be subject to a “crowd-out” provision. If the family had employer-sponsored group health insurance within six months before applying for MassHealth, the family will be subject to a six-month waiting period, unless they meet one of the exceptions to the “crowd-out” provision. Applicants and members under age 19 may be eligible for CMSP during this waiting period.

The MassHealth Family Assistance premiums for applicants and members under age 19 have been expanded to 300% FPL and the CommonHealth premium tables have been changed to reflect reduced premiums for applicants and members under age 19 with family group income between 100% and 300% FPL.

These regulations are being issued as emergency regulations, effective July 1, 2006.

MANUAL UPKEEP

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Rev. 07/01/06502.008: Notice

- (A) All applicants and members receive a written notice of the eligibility determination for MassHealth. The notice contains an eligibility decision for each member of the family group who has requested MassHealth, and either provides information so the applicant or member can determine the reason for any adverse decision or directs the applicant or member to such information.
- (B) Members also receive a notice, in accordance with 130 CMR 610.015, of any loss of coverage, or any changes in coverage type, premium, or premium assistance payments.
- (C) The notices described in 130 CMR 502.008(A) and (B) provide information about the applicant's and member's right to a fair hearing, with the exception of notices about eligibility for presumptive coverage as described at 130 CMR 505.002(C)(3) and 505.005(C)(2), and for prenatal coverage as described at 130 CMR 505.003. Information about the appeal process is found at 130 CMR 610.000.

502.009: Voluntary Withdrawal

The applicant or eligibility representative may voluntarily withdraw his or her request for MassHealth.

502.010: Issuance of a MassHealth Card

- (A) The MassHealth agency issues a MassHealth card to a new member, with the exception of those who receive premium assistance under:
- (1) MassHealth Family Assistance for children, as described at 130 CMR 505.005(B);
 - (2) MassHealth Family Assistance for adults, as described at 130 CMR 505.005(C);
 - (3) MassHealth Basic, as described at 505.006(C); or
 - (4) MassHealth Essential, as described at 505.007(C).
- (B) A temporary card may be issued to a member if there is an immediate need.

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(2) Children Aged One through 18.

(a) A child aged one through 18 is eligible if the gross income of the family group is less than or equal to 150 percent of the federal-poverty level.

(b) A child receiving MassHealth Standard who receives inpatient services on the date of his or her 19th birthday remains eligible until the end of the stay for which the inpatient services are furnished.

(c) Eligibility for a child who is pregnant is determined under 130 CMR 505.002(E).

(3) Presumptive Eligibility Requirements. The MassHealth agency may determine a child presumptively eligible to receive MassHealth Standard coverage in accordance with the requirements of 130 CMR 502.003 if the self-declared gross income of the family group meets the applicable income standards for children under age 19 as described in 130 CMR 505.002(C)(1) and (2).

(D) Eligibility Requirements for Parents and Caretaker Relatives.

(1) A natural, step, or adoptive parent is eligible for MassHealth Standard coverage if:

(a) the family group gross income is less than or equal to 133 percent of the federal poverty level; and

(b) the parent lives with his or her children, and, in the case of a parent who is separated or divorced, has custody of his or her children; or has children who are absent from home to attend school.

(2) A caretaker relative is eligible for MassHealth Standard coverage if:

(a) the caretaker relative chooses to be part of the family group;

(b) the family group gross income is less than or equal to 133 percent of the federal-poverty level; and

(c) the caretaker relative lives with children to whom he or she is related by blood, adoption, or marriage, or is a spouse or former spouse of one of those relatives, if neither parent lives in the home.

(3) The parent or caretaker relative complies with 130 CMR 505.002(I) and 507.003.

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(H) Use of Potential Health Insurance Benefits. Applicants and members must use potential health insurance benefits, including Medicare, in accordance with 130 CMR 503.007, and must enroll in health insurance if purchased by the MassHealth agency in accordance with 130 CMR 505.002(G), 505.005, or 507.003.

(I) Medical Coverage Date.

(1) Except as provided in 130 CMR 501.003(E)(1), the medical coverage date for CommonHealth begins on the 10th day before the date a Medical Benefit Request is received at any MassHealth Enrollment Center or received by a MassHealth outreach worker at a designated outreach site, provided all required verifications, including a completed disability supplement, have been received within 60 days of the date of the Request for Information.

(2) Except as provided in 130 CMR 501.003(E)(1), if required verifications listed on the Request for Information are received after the 60-day period referenced in 130 CMR 505.004(I)(1), the begin date of medical coverage is 10 days before the date on which the verifications were received, provided such verifications are received within one year of receipt of the MBR.

(3) Persons described in 130 CMR 505.004(C) who have been notified by the MassHealth agency that they must meet a one-time deductible have their medical coverage date established in accordance with 130 CMR 506.009(E).

(J) Extended CommonHealth Coverage. CommonHealth members, described in 130 CMR 505.004(B), who terminate their employment continue to be eligible for CommonHealth for up to three calendar months after termination of employment provided they continue to make timely payments of monthly premiums.

505.005: MassHealth Family Assistance

(A) Overview.

(1) 130 CMR 505.005 contains the categorical requirements and financial standards for MassHealth Family Assistance. This coverage type provides coverage either through premium assistance payments or the purchase of medical benefits.

(2) (a) Premium assistance payments under MassHealth Family Assistance are available to:

(i) children under age 19 who have health insurance or access to health insurance;

(ii) certain employed adults aged 19 through 64 who have health insurance; and

(iii) persons under age 65 who are HIV positive and who have health insurance or choose to purchase available health insurance.

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(b) The health insurance must meet the criteria of 130 CMR 505.005(B)(1)(a)(i), 505.005(C)(1)(e), or 505.005(D)(2).

(c) Persons eligible for premium assistance payments, in accordance with 130 CMR 505.005(B) and (C), are eligible for payment of part of the policyholder's employer-sponsored health insurance premium in accordance with the MassHealth premium assistance payment formula described in 130 CMR 506.012(D) and (E).

(3) (a) The purchase of medical benefits under MassHealth Family Assistance is available to:

(i) children under the age of 19 who are uninsured at the time of the MassHealth agency's eligibility determination and do not have access to employer-sponsored health insurance; and

(ii) persons under the age of 65 who are HIV positive and who have no health insurance, or do not have health insurance that the MassHealth agency has determined to be cost effective.

(b) Persons eligible for the purchase of medical benefits are eligible for services as described in 130 CMR 450.105(H)(3).

(B) Premium Assistance for Children.

(1) Eligibility Requirements.

(a) Premium assistance under MassHealth Family Assistance is available to children under age 19 who meet all the following conditions:

(i) the child has or has access to employer-sponsored health insurance where the employer contributes at least 50 percent of the premium cost, and the insurance meets the basic-benefit level, as defined at 130 CMR 501.001;

(ii) the child's family group gross income is above 150 percent but does not exceed 300 percent of the federal-poverty level for citizens and qualified aliens;

(iii) the child's family group gross income is above 150 percent but does not exceed 200 percent of the federal-poverty level for aliens with special status;

(iv) the child is ineligible for MassHealth Standard and MassHealth CommonHealth; and

(v) for children whose family group income is above 200 percent but does not exceed 300 percent of the federal-poverty level, the child does not have employer-sponsored health insurance and has not had employer-sponsored health insurance during the six months before application, as provided in 130 CMR 505.005(I).

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(b) Applicants and members must:

- (i) provide the MassHealth agency with the information necessary to determine the availability and cost effectiveness of employer-sponsored health insurance;
- (ii) obtain available health insurance when the MassHealth agency determines it is cost effective to do so; and
- (iii) retain existing health insurance coverage as a condition of eligibility.

(c) Failure to comply with these requirements results in denial or loss of eligibility for Family Assistance benefits.

(2) Waiver of Access Requirement. The MassHealth agency may waive its requirement to access health insurance if the MassHealth agency determines it is more cost effective to the MassHealth agency to purchase medical benefits under MassHealth Family Assistance than to assist the family with payment of health-insurance premiums.

(3) Eligibility for a Limited Period of Time.

(a) The MassHealth agency may determine a child who meets the requirements of 130 CMR 505.005(B)(1)(a) eligible for medical benefits under MassHealth Family Assistance for a limited period of time if:

- (i) the child is currently uninsured; and
- (ii) a family group member has indicated employer-sponsored health insurance may be available.

(b) The begin date for the benefits described in 130 CMR 505.005(B)(3)(a) is established in accordance with 130 CMR 505.005(E)(4). Premiums are established in accordance with 130 CMR 506.011(J).

(c) During this limited period, the MassHealth agency determines if the insurance that is available to the child meets the basic-benefit level as described at 130 CMR 501.001, and whether the employer contributes at least 50 percent of the premium cost.

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(d) If the MassHealth agency determines the child has access to insurance as described at 130 CMR 505.005(B)(1)(a)(i), the applicant is notified in writing of the child's eligibility for premium assistance and the need to enroll in such insurance. The child continues to be eligible for medical benefits for up to 60 days from the date of this notice to allow time for enrollment in the health-insurance plan. Once enrolled in the health-insurance plan, the child becomes eligible for premium assistance payments as described in 130 CMR 505.005(B)(4).

(e) The medical benefits described in 130 CMR 505.005(B)(3)(d) end when the child is covered under the health-insurance plan. Coverage also ends if the family group member fails to enroll the child in the health-insurance plan, or fails to submit proof of such enrollment within 60 days of being notified of this requirement.

(f) If the MassHealth agency determines the available insurance does not meet the requirements of 130 CMR 505.005(B)(1)(a) or, if the MassHealth agency is unable to complete its evaluation of the health insurance within 60 days of the MassHealth agency's receipt of a complete MBR, the applicant is notified in writing of the child's eligibility for the purchase of medical benefits under MassHealth Family Assistance, as described in 130 CMR 505.005(E).

(4) Premium Assistance Payment.

(a) The MassHealth agency makes monthly payments on behalf of a child toward the cost of the employer-sponsored health insurance premium if:

(i) the child meets the requirements of 130 CMR 505.005(B)(1);

(ii) the policyholder is a member of the child's family group; and

(iii) the policyholder is responsible for payment of more than the estimated member share described in 130 CMR 506.012(D)(1)(a).

(b) The amount of the premium assistance payment is established in accordance with the MassHealth premium assistance payment formula described in 130 CMR 506.012(D).

(c) Premium assistance payments are made in accordance with 130 CMR 506.012(A)(2) and (3).

(5) Eligibility Date. Premium assistance payments begin in the month of the MassHealth agency's eligibility determination, or in the month the health-insurance deduction begins, whichever is later. Each monthly payment is for coverage in the following month.

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(6) Copays, Coinsurance, and Deductibles. The MassHealth agency pays copays, coinsurance, and deductibles for children eligible for premium assistance provided:

(a) the MassHealth agency has made a determination that the member was uninsured at the time of the eligibility determination, had access to employer-sponsored health insurance, and the MassHealth agency required the member's enrollment in the health insurance plan; and

(b) (i) the copay, coinsurance, or deductible was incurred as the result of a well-child visit as described in 130 CMR 450.140 through 450.149; or

(ii) the policyholder's annualized share of the employer-sponsored health insurance premium, combined with copays, coinsurance, and deductibles incurred and paid by members, exceeds five percent of the family group's gross income in a 12-month period beginning with the date of eligibility for premium assistance. In such cases, the MassHealth agency pays for any copays, coinsurance, or deductibles incurred by the members during the balance of the 12-month period provided they have submitted proof of payment of bills equal to or exceeding five percent of their family group's gross income. Proof of payment may be submitted during or after the 12-month period, but no later than six months after the 12-month period ends. Calculation of the family's five percent amount is based on the income and family group size at the time of application and is not adjusted during the 12-month period. This amount is recalculated every 12 months thereafter.

(7) Ineligibility for Family Assistance. If an insured child's insurance does not meet the basic-benefit level, or the employer does not contribute at least 50 percent of the premium cost, the child is ineligible for MassHealth Family Assistance.

(C) Premium Assistance for Adults.

(1) Eligibility Requirements. Premium Assistance under MassHealth Family Assistance is available to adults who meet all of the following conditions:

(a) the adult is 19 years of age or older and under age 65;

(b) the adult's family group gross income is less than or equal to 200 percent of the federal poverty level;

(c) the adult is not eligible for MassHealth Standard or MassHealth CommonHealth;

(d) the adult has or is enrolled in employer-sponsored health insurance; and

(e) the adult is employed by a qualified employer, as defined in 130 CMR 501.001.

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(2) Premium Assistance Payment.

(a) The MassHealth agency makes monthly payments toward the cost of the employer-sponsored health insurance if the adult:

(i) meets the requirements of 130 CMR 505.005(C)(1);

(ii) is responsible for payment of more than the estimated member share described in 130 CMR 506.012(E)(2); and

(iii) continues to be employed by a qualified employer.

(b) An adult whose spouse and/or children receive MassHealth benefits must enroll in a couple or family health insurance policy, if offered, if the employer contributes at least 50 percent of the premium cost for that coverage.

(c) The amount of the premium assistance payment is established in accordance with the MassHealth premium assistance payment formula described in 130 CMR 506.012(E).

(d) Premium assistance payments are made in accordance with 130 CMR 506.012(A)(3).

(3) Eligibility Date. Premium assistance payments begin in the month of the MassHealth eligibility determination, or in the month the health-insurance deduction begins, whichever is later. Each monthly payment is for coverage in the following month.

(D) Premium Assistance for Persons Who Are HIV Positive.

(1) Eligibility Requirements.

(a) Premium assistance under MassHealth Family Assistance is available for persons who are HIV positive if they:

(i) are under the age of 65;

(ii) have family group gross income that is less than or equal to 200 percent of the federal poverty level;

(iii) are ineligible for MassHealth Standard or MassHealth CommonHealth;
and

(iv) either have or choose to purchase available health insurance that the MassHealth agency has determined to be cost effective, in accordance with 130 CMR 505.005(D)(2).

(b) The MassHealth agency establishes eligibility under the provisions of 130 CMR 505.005(D) for persons who are HIV positive and who also meet the requirements of 130 CMR 505.005(B) or (C).

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(2) Cost Effectiveness Determination. The MassHealth agency determines the cost effectiveness of the available insurance plan to establish the appropriate premium assistance payment amount, and notifies the applicant or member of its decision.

(3) Premium Assistance Payment. Except as provided in 130 CMR 501.003(E)(2)(a), the MassHealth agency makes monthly premium payments on behalf of members through its Health Insurance Premium Program (HIPP). Health insurance premium payments are made directly to the insurance carrier, the employer, or to the most appropriate party, as determined by the MassHealth agency. If a direct payment is made to a family group member, proof of health-insurance payments may be required from the parent or member.

(4) Premium Assistance Payment Amount. The MassHealth agency provides premium assistance in accordance with 130 CMR 506.012(F).

(5) Eligibility Date.

(a) Premium assistance payments begin in the month of the MassHealth agency's eligibility determination or the month in which the insurance deductions begin, whichever is later. These payments are for the following month's coverage.

(b) Persons eligible under the provisions of 130 CMR 505.005(D) are also eligible for services provided under the purchase of medical benefits as described in 130 CMR 450.105(H)(3) to the extent these services are not covered by the individual's employer-sponsored health insurance. The medical coverage date for these services is established in accordance with 130 CMR 505.005(F)(3).

(6) Premium Assistance for Persons Who Have Not Yet Verified HIV-Positive Status. The MassHealth agency also provides premium assistance, in accordance with 130 CMR 505.005(D), to persons meeting the requirements of 130 CMR 505.005(G)(1)(a) who would otherwise be eligible for premium assistance under 130 CMR 505.005(C).

(E) The Purchase of Medical Benefits for Children.

(1) Eligibility Requirements. Children under the age of 19 are eligible for the purchase of medical benefits under MassHealth Family Assistance if they meet all of the following requirements:

(a) the child's family group gross income is above 150 percent but does not exceed 300 percent of the federal-poverty level for citizens and qualified aliens;

(b) the child's family group gross income is above 150 percent but does not exceed 200 percent of the federal-poverty level for aliens with special status;

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(c) the child is ineligible for MassHealth Standard or MassHealth CommonHealth;

(d) the child is uninsured and does not have access to employer-sponsored health insurance; and

(e) for children between 200 and 300 percent of the federal-poverty level, the child has not had employer-sponsored health insurance during the six months before application, as provided in 130 CMR 505.005(I).

(2) Presumptive Eligibility Requirements. The MassHealth agency may determine uninsured children presumptively eligible for medical benefits under MassHealth Family Assistance in accordance with the requirements of 130 CMR 502.003 if:

(a) the self-declared gross income of the family group is above 150 percent but does not exceed 300 percent of the federal-poverty level for citizens and qualified aliens; or

(b) the self-declared gross income of the family group is above 150 percent but does not exceed 200 percent of the federal-poverty level for aliens with special status.

(3) Premium. Families of children who meet the requirements of 130 CMR 505.005(E)(1) and (2) are assessed a monthly premium in accordance with 130 CMR 506.011(J). Children who are eligible for a limited period of time, as described at 130 CMR 505.005(B)(3), and children who meet the requirements at 130 CMR 501.006 are also assessed a monthly premium in accordance with 130 CMR 506.011(J).

(4) Medical Coverage Date.

(a) The medical coverage date for the purchase of medical benefits under MassHealth Family Assistance begins on the 10th day before the date a Medical Benefit Request is received at any MassHealth Enrollment Center or received by a MassHealth outreach worker at a designated outreach site if all required verifications have been received within 60 days of the date of the Request for Information.

(b) If required verifications listed on the Request for Information are received after the 60-day period referenced in 130 CMR 505.005(E)(4)(a), the begin date of medical coverage is 10 days before the date on which the verifications were received if these verifications are received within one year of receipt of the Medical Benefit Request.

(c) The begin and end dates for medical coverage under presumptive eligibility are described in 130 CMR 502.003.

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Page 505.005****(F) The Purchase of Medical Benefits for Persons Who Are HIV Positive.****(1) Eligibility Requirements.**

(a) Persons who are HIV positive may establish eligibility for the purchase of medical benefits if they:

(i) are under the age of 65;

(ii) have family group gross income that is less than or equal to 200 percent of the federal poverty level;

(iii) are ineligible for MassHealth Standard or MassHealth CommonHealth; and

(iv) do not have health insurance.

(b) The MassHealth agency establishes eligibility under the provisions of 130 CMR 505.005(F) for persons who are under the age of 19 and are HIV positive, and who also meet the requirements of 130 CMR 505.005(E).

(2) Premium. Individuals who meet the requirements of 130 CMR 505.005(F) are assessed a monthly premium in accordance with 130 CMR 506.011(I).

(3) Medical Coverage Date.

(a) Except as provided in 130 CMR 501.003(E)(2)(a), the medical coverage date for the purchase of medical benefits under MassHealth Family Assistance begins on the 10th day before the date a Medical Benefit Request is received at any MassHealth Enrollment Center or received by a MassHealth outreach worker at a designated outreach site. However, the medical coverage date will in no event begin before April 1, 2001.

(b) Except as provided in 130 CMR 501.003(E)(2)(a), if required verifications listed on the Request for Information are received after the 60-day period referenced in 130 CMR 505.005(G)(1)(b), the begin date of medical coverage is 10 days before the date on which the verifications were received if these verifications are received within one year of receipt of the Medical Benefit Request.

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(G) Fee-for-Service Benefits for Persons Who Are HIV Positive.

(1) Persons Who Have Claimed on the MBR to Be HIV Positive.

(a) Eligibility Requirements. Persons who have claimed on the MBR to be HIV positive may establish temporary eligibility for fee-for-service benefits if they:

(i) are under the age of 65;

(ii) have a verified family group gross income that is less than or equal to 200 percent of the federal poverty level; and

(iii) are ineligible for MassHealth Standard or MassHealth CommonHealth.

(b) Time Frames for Verification.

(i) Persons who have claimed on the MBR to be HIV positive must submit verification of their HIV-positive status within 60 days of their eligibility determination. If verifications are not submitted, the MassHealth agency redetermines their eligibility as if they were not HIV positive.

(ii) Verification of HIV-positive status can be a letter from a doctor, qualifying health clinic, laboratory, or AIDS service provider or organization. The letter must indicate the member's name and his or her HIV-positive status.

(c) Other Health Insurance. Members who have other health insurance must access those benefits and must show both their private health insurance card and their MassHealth card to providers at the time services are provided.

(d) Premium. Individuals who meet the requirements of 130 CMR 505.005(G) are assessed a monthly premium in accordance with 130 CMR 506.011(I).

(e) Medical Coverage Date.

(i) Except as provided in 130 CMR 501.003(E)(2)(a), the medical coverage date for the purchase of medical benefits under MassHealth Family Assistance begins on the 10th day before the date a Medical Benefit Request is received at any MassHealth Enrollment Center or received by a MassHealth outreach worker at a designated outreach site. However, the medical coverage date will in no event begin before April 1, 2001.

(ii) Except as provided in 130 CMR 501.003(E)(2)(a), if required verifications listed on the Request for Information are received after the 60-day period referenced in 130 CMR 505.005(G)(1)(b), the begin date of medical coverage is 10 days before the date on which the verifications were received if these verifications are received within one year of receipt of the Medical Benefit Request.

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(f) Premium Assistance for Persons Who Have Not Verified HIV-Positive Status.

Persons who meet the requirements of both 130 CMR 505.005(G)(1)(a) and 505.005(C) receive benefits under 130 CMR 505.005(D). If verification of their HIV-positive status is not submitted within 60 days, they receive benefits under 130 CMR 505.005(C), if otherwise eligible.

(2) Persons Who Have Verified Their HIV-Positive Status.

(a) Eligibility Requirements. Persons who have verified their HIV-positive status, in accordance with 130 CMR 505.005(G)(1)(b), may establish eligibility for fee-for-service benefits if they:

(i) are under the age of 65;

(ii) have a family group gross income that is less than or equal to 200 percent of the federal poverty level;

(iii) are ineligible for MassHealth Standard or MassHealth CommonHealth;
and

(iv) have declared that they have other health insurance.

(b) Fee-for-Service Benefits. Members receive benefits on a fee-for-service basis:

(i) while the MassHealth agency investigates the member's private health insurance to determine if premium assistance is available; or

(ii) if the MassHealth agency determines the member's health insurance is not cost effective.

(c) Other Health Insurance. Members who have other health insurance must access those benefits and must show both their private health insurance card and their MassHealth card to providers at the time services are provided. The fee-for-service benefit applies only to services not covered by the member's private health insurance.

(d) Premium. Individuals who meet the requirements of 130 CMR 505.005(G) are assessed a monthly premium in accordance with 130 CMR 506.011(I).

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(e) Medical Coverage Date.

(i) Except as provided in 130 CMR 501.003(E)(2)(b), the medical coverage date for the purchase of medical benefits under MassHealth Family Assistance begins on the 10th day before the date a Medical Benefit Request is received at any MassHealth Enrollment Center or received by a MassHealth outreach worker at a designated outreach site. However, the medical coverage date will in no event begin before April 1, 2001.

(ii) Except as provided in 130 CMR 501.003(E)(2)(b), if required verifications listed on the Request for Information are received after the 60-day period referenced in 130 CMR 505.005(G)(1)(b), the begin date of medical coverage is 10 days before the date on which the verifications were received if these verifications are received within one year of receipt of the Medical Benefit Request.

(H) Crowd-Out Provisions for Family Assistance.

(1) For children whose family group income is above 200 percent but does not exceed 300 percent FPL, the MassHealth agency will not provide direct coverage or premium assistance if the family had employer-sponsored group health insurance for applying children within the previous six months. Families who had employer-sponsored group health insurance within the previous six months will be subject to a six-month waiting period, from the date of loss of coverage, before being allowed to enroll in MassHealth Family Assistance. Exceptions from this waiting period will be made in situations in which:

- (a) a child in the family group has special or serious health-care needs;
- (b) the prior coverage was involuntarily terminated, including withdrawal of benefits by an employer, involuntary job loss, or COBRA expiration;
- (c) a parent in the family group died in the previous six months;
- (d) the prior coverage was lost due to domestic violence;
- (e) the prior coverage was lost due to becoming self-employed; or
- (f) the existing coverage's lifetime benefits were reduced substantially within the previous six months or prior employer-sponsored health insurance was cancelled for this reason.

(2) Children who are ineligible for Family Assistance under the crowd-out provision are eligible for Children's Medical Security Plan (CMSP) during the waiting period (see 130 CMR 522.004).

(I) Children's Medical Security Plan (CMSP). Children whose family group gross income exceeds the financial eligibility requirements of Family Assistance and children who do not meet the immigration requirements of Family Assistance may be eligible for CMSP (see 130 CMR 522.004).

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(H) Change in Premium Calculation. The premium amount is recalculated when the MassHealth agency 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 the MassHealth agency 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 the MassHealth agency is paying a portion of their health-insurance premium. The full premium formula is provided below.

FULL PREMIUM FORMULA		
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 Full Premium Formula for CommonHealth Children with Income Above 100 Percent to 300 Percent of the Federal-Poverty Level. The premium formula is provided below.

% of Federal Poverty Level (FPL)	Premium Cost
Above 100% to 150%	\$12 per child (\$15 per family group maximum)
Above 150% to 200%	\$12 per child (\$36 per family group maximum)
Above 200% to 250%	\$20 per child (\$60 per family group maximum)
Above 250% to 300%	\$28 per child (\$84 per family group maximum)
Above 300%	refer to the “Full Premium Formula” chart in 130 CMR 506.011(I)(1)

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

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SUPPLEMENTAL PREMIUM FORMULA	
% 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

(4) 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

(5) 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

(6) 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 the MassHealth agency 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 250 percent up to 300 percent of the federal-poverty level for whom the MassHealth agency purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium of \$28 per child, with a maximum for \$84 per family.

(2) MassHealth Family Assistance members with income greater than 200 percent up to 250 percent of the federal-poverty level for whom the MassHealth agency purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium of \$20 per child, with a maximum for \$60 per family.

(3) MassHealth Family Assistance members with income greater than 150 percent up to 200 percent of the federal poverty level for whom the MassHealth agency 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.

(4) MassHealth Family Assistance members with income between 100 and 150 percent of the federal poverty level for whom the MassHealth agency 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.

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(1 of 5)506.012: Family Assistance Premium Assistance Payments(A) Requirements.

(1) The MassHealth agency makes monthly payments toward the cost of employer-sponsored health insurance for members who meet the requirements of 130 CMR 505.005(B), (C), and (D). The MassHealth agency makes only one premium assistance payment per policy. The amount of the MassHealth agency's payment is based on the following information:

- (a) the total cost of the member's health insurance premium;
- (b) the employer share of the member's health insurance premium; and
- (c) the MassHealth estimated member share of the health insurance premium.

(2) Premium assistance payments are made directly each month to the policyholder for members meeting the requirements of 130 CMR 505.005(B) and (D), except as provided in 130 CMR 506.012(A)(3). Proof of health insurance premium payments may be required.

(3) Members meeting the requirements of 130 CMR 505.005(C), as well as members meeting the requirements of 130 CMR 505.005(B) and (D) whose employer-sponsored health insurance is from a qualified employer, have premium assistance payments made monthly on their behalf to either their employer or their health insurance carrier. The qualified employer must reduce the member's payroll deduction by the amount of the premium assistance payment.

(4) Members whose premium assistance amount changes as the result of a reported change or any adjustment in the premium assistance payment formula receive the new premium assistance payment beginning with the calendar month following the reported change.

(5) Members who become eligible for a different coverage type receive their final premium assistance payment in the calendar month in which the coverage type changes. The MassHealth agency may continue to pay the health insurance premiums of certain members in accordance with 130 CMR 507.003 if it determines it is cost effective to do so.

(6) Members who are American Indians or Alaska Natives, as defined in 130 CMR 501.001, receive premium assistance payments totaling the full-employee share, to the extent that it is cost effective for the MassHealth agency. If it is not cost effective for the MassHealth agency, these members may choose to accept a premium assistance amount that is lower than the full-employee share, or they may choose to enroll in the purchase of medical benefits under MassHealth Family Assistance.

(B) Voluntary Withdrawal. If a member voluntarily withdraws, the MassHealth premium assistance payments end.

(C) Change in Premium Assistance Calculation. The premium assistance amount is recalculated when the MassHealth agency is informed of changes in family group size, health insurance premium, employer contribution, and whenever an adjustment is made in the premium assistance payment formula.

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(D) The Monthly Premium Assistance Payment Formula for Children. The premium assistance payment calculation in 130 CMR 506.012(D) provides a formula for determining the MassHealth premium assistance payment amount for children, and the monthly amount members are required to pay towards their health insurance premiums.

(1) Actual Premium Assistance Payment Amount. The actual premium assistance payment amount is calculated by using the following formula.

(a) The estimated premium assistance payment amount is first determined by subtracting the employer share of the policyholder's health insurance premium and the MassHealth estimated member share of the health insurance premium from the total cost of the health insurance premium. The estimated member share is described below.

% of Federal Poverty Level (FPL)	Estimated Member Share
Above 150% to 200%	\$12 per child (\$36 per family group maximum)
Above 200% to 250%	\$20 per child (\$60 per family group maximum)
Above 250% to 300%	\$28 per child (\$84 per family group maximum)

(b) The resulting estimated premium assistance payment amount is then compared to the cost-effective amount, as described below:

(i) if the family member is employed by a small employer as described at 130 CMR 501.001, the estimated premium assistance payment amount is compared to the cost-effective amount, which is the MassHealth agency's cost of covering the family group members who are beneficiaries of the insurance; or

(ii) if the family member is employed by a large employer as described at 130 CMR 501.001, the estimated premium assistance payment amount is compared to the cost-effective amount, which is the MassHealth agency's cost of covering MassHealth-eligible children who would be covered by the insurance.

(c) If the estimated premium assistance payment amount is less than the cost-effective amount, then the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.

(d) If the estimated premium assistance payment amount is equal to or greater than the cost-effective amount, then the MassHealth agency sets the actual premium assistance payment amount at the cost-effective amount.

(2) Member Assignment. If the MassHealth agency determines that a policyholder's share of the health insurance premium including any remaining premium, as described in 130 CMR 506.012 (D)(3)(b), would exceed five percent of the family group's gross income, the member must enroll in the purchase of medical benefits under MassHealth Family Assistance. This assignment is limited to those uninsured members who have access to health insurance.

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(3) Estimated Member Share of Premium.

(a) Families are responsible for paying toward the cost of covering their Family Assistance-eligible children under their employer-sponsored health insurance, as described in 130 CMR 506.012(D)(1)(a).

(b) If the actual premium assistance payment amount is set at the cost-effective amount, the family is also responsible for payment of the remainder of the health insurance premium, which is the difference between the estimated premium assistance payment and the cost-effective amount. The additional premium payment responsibility reflects coverage of additional family members who are not eligible for Family Assistance.

(4) Example. A parent and two children apply for MassHealth. Their family group gross monthly income exceeds 150 percent, but is no greater than 200 percent of the federal-poverty level based on a family of three. The parent works for a small employer.

(a) The total monthly cost of the health insurance premium = S.

(b) The employer's monthly share of the health insurance premium = T.

(c) The MassHealth estimated member share of the monthly health insurance premium = U. (See 130 CMR 506.012(D)(1)(a).)

(d) Calculation

(i) Calculating the estimated premium assistance payment amount:

$$\begin{array}{l}
 S = (\text{total cost of premium}) \\
 - T = (\text{employer's share of the cost}) \\
 \hline
 V = (\text{employee's share of the cost}) \\
 - U = (\text{the MassHealth estimated member share of the cost}) \\
 \hline
 W = (\text{estimated premium assistance payment amount})
 \end{array}$$

(ii) Small employer cost-effective test: W is compared to the MassHealth cost of covering the three family group members as follows:

X = the MassHealth monthly cost of covering members

X x 3 members = Y (the MassHealth monthly cost-effective amount)

If W is less than Y, the MassHealth agency sets the actual premium assistance payment amount at W.

If W is equal to or greater than Y, the MassHealth agency sets the premium assistance payment amount at Y.

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(iii) Large employer cost-effective test: If the parent works for a large employer, then W is compared to the cost of covering only the children in the family group under MassHealth.

$X \times 2 \text{ children} = Z$ (the MassHealth monthly cost-effective amount)

If W is less than Z, the MassHealth agency sets the actual premium assistance payment amount at W.

If W is equal to or greater than Z, the MassHealth agency sets the premium assistance payment amount at Z.

(E) The Monthly Premium Assistance Payment Formula for Adults. The premium assistance payment calculation in 130 CMR 506.012(E) provides a formula for determining the MassHealth premium assistance payment amount for adults who are employed by qualified employers, and the monthly amount members are required to pay toward their health insurance premiums. Adults whose children receive premium assistance in accordance with 130 CMR 505.005(B) or (D), or Health Insurance Premium Program (HIPP) payments in accordance with 130 CMR 507.003 have their premium assistance payments determined in accordance with 130 CMR 506.012(D).

(1) Actual Premium Assistance Payment Amount. The actual premium assistance payment amount is calculated by using the following formula.

(a) The estimated premium assistance payment amount is first determined by subtracting the employer share of the policyholder's health insurance premium and the MassHealth estimated member share of the health insurance premium from the total cost of the health insurance premium. The estimated member share is \$27 per covered adult.

(b) The resulting estimated premium assistance payment amount is then compared to the maximum contribution amount, which is the maximum amount the MassHealth agency pays per insured adult toward employer-sponsored health insurance.

(c) If the estimated premium assistance payment amount is less than the maximum contribution amount, then the MassHealth agency sets the actual premium assistance payment amount at the estimated premium assistance payment amount.

(d) If the estimated premium assistance payment amount is equal to or greater than the maximum contribution amount, then the MassHealth agency sets the actual premium assistance payment amount at the maximum contribution amount.

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(2) Estimated Member Share of Premium.

(a) The monthly premium amount for which premium assistance adults are responsible is determined as follows.

(i) If the family group's gross income is over 100 percent of the federal-poverty level, the premium is \$27 per covered adult, except when a covered adult is eligible for MassHealth Standard or MassHealth CommonHealth. In this instance, the covered adult is not assessed a member share.

(ii) If eligibility is determined in accordance with 130 CMR 505.005(C), the person or couple is not responsible for paying a share of the premium if the family group's gross income is at or below 100 percent of the federal poverty level, or if there are children in the family receiving MassHealth and the family income does not exceed 150 percent of the federal poverty level.

(b) If the actual premium assistance payment amount is set at the maximum contribution amount, the member is responsible for payment of the remainder of the health insurance premium, which is the difference between the estimated premium assistance payment and the maximum contribution amount.

(3) Maximum Contribution Amount. The maximum contribution amount is the maximum amount, as determined by the MassHealth agency, that the MassHealth agency contributes per insured adult toward the policyholder's share of the health insurance premium when the health insurance plan is offered through a MassHealth-approved billing and enrollment intermediary, or the Insurance Partnership agent.

(F) Calculation of Monthly Premium Amount for Adults Who Are HIV Positive. The formula for HIV-positive adults who are described in 130 CMR 505.005(D) is the same as the formula described at 130 CMR 506.012(E) except that the estimated member share is the same as the premium described at 130 CMR 506.011(I)(1). The maximum contribution amount is the maximum amount that the MassHealth agency contributes per insured adult who is HIV positive.

(G) Termination of Health Insurance. If a member's health insurance terminates for any reason, the MassHealth premium assistance payments end.