



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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MassHealth
 Eligibility Letter 164
 July 15, 2007

TO: MassHealth Staff

FROM: Tom Dehner, Acting Medicaid Director 

RE: Revisions to Regulations about the Premium Assistance for Adults

Due to the recent health-care reform legislation, MassHealth is revising the regulations about the premium assistance for adults.

MassHealth has changed the eligibility requirements for premium assistance for adults to increase the income eligibility to less than or equal to 300 percent of the federal poverty level (FPL) and to include the requirement that the adult's employer or the family member's employer has not, in the last six months, provided health insurance coverage for which the adult is eligible.

MassHealth has changed the estimated member share of the premium from one to three groups. If the family group's income is above 100 percent through 200 percent of the FPL, the premium is \$27 per covered adult in the family group. If the family group's income is above 200 percent through 250 percent of the FPL, the premium is \$53 per covered adult in the family group. If the family group's income is above 250 percent through 300 percent of the FPL, the premium is \$80 per covered adult in the family group.

We are revising page 520.019 (4 of 8) to correct the numbering of the subsections in 130 CMR 520.019(G).

These regulations are effective October 1, 2006.

MANUAL UPKEEP

<u>Insert</u>	<u>Remove</u>	<u>Trans. By</u>
505.005 (5 of 12)	505.005 (5 of 12)	E.L. 148
506.012 (4 of 5)	506.012 (4 of 5)	E.L. 148
506.012 (5 of 5)	506.012 (5 of 5)	E.L. 148
520.019 (4 of 8)	520.019 (4 of 8)	E.L. 147

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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 300 percent of the federal poverty level;

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

(d) the adult works for an employer who has not, in the last six months, provided health insurance coverage for which the adult is eligible or whose family member's employer has not, in the last six months, provided health insurance coverage for which the adult is eligible;

(e) the adult purchases the employer-sponsored health insurance; and

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

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**MASSHEALTH
FINANCIAL REQUIREMENTS**

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Page 506.012**

(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 then determined in accordance with 130 CMR 506.012(E)(2)(a)(i).
- (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 above 100 percent through 200 percent of the federal-poverty level, the premium is \$27 per covered adult in the family group. If the family group's gross income is above 200 percent through 250 percent of the federal poverty level, the premium is \$53 per covered adult in the family group. If the family group's gross income is above 250 percent through 300 percent of the federal poverty level, the premium is \$80 per covered adult in the family group. These premiums apply 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.

Trans. by E.L. 164

**MASSHEALTH
FINANCIAL ELIGIBILITY**

Rev. 02/08/06

**Chapter 520
(4 of 8) Page 520.019**

(i) Multiple Transfers Occurring On or After February 8, 2006. For transfers occurring on or after February 8, 2006, the MassHealth agency adds the value of all the resources transferred during the look-back period and divides the total by the average monthly cost to a private patient receiving long-term-care services in the Commonwealth of Massachusetts at the time of application, as determined by the MassHealth agency. The result will be a single period of ineligibility beginning on the first day of the month in which the first transfer was made or the date on which the individual is otherwise eligible for long-term-care services, whichever is later.

(3) Begin Date. For transfers occurring before February 8, 2006, the period of ineligibility will begin on the first day of the month in which resources have been transferred for less than fair-market value. For transfers occurring on or after February 8, 2006, the period of ineligibility will begin on the first day of the month in which resources were transferred for less than fair-market value or the date on which the individual is otherwise eligible for MassHealth payment of long-term-care services, whichever is later. For transfers involving revocable trusts, the date of transfer is the date the payment to someone other than the nursing-facility resident or the spouse is made. For transfers involving irrevocable trusts, the date of transfer is:

(a) the date that the countable trust resources are transferred to someone other than the nursing-facility resident or spouse; or

(b) the latest of the following:

(i) the date that payment to the nursing-facility resident or the spouse was foreclosed under the terms of the trust;

(ii) the date that the trust was established; or

(iii) the date that any resource was placed in the trust.