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 176
April 1, 2008

TO: MassHealth Staff

FROM: Tom Dehner, Medicaid Director TD

RE: **Revisions to Regulations: Uncompensated Care Pool to Health Safety Net**

As part of health-care reform, Massachusetts law, in Chapter 58 of the Acts of 2006, requires the creation of the Health Safety Net, replacing the Uncompensated Care Pool.

MassHealth is revising the regulations to change "Uncompensated Care Pool" to "Health Safety Net" and is defining "Health Safety Net" and "MassHealth Agency."

These regulations are being issued as emergency regulations, effective October 1, 2007.

MANUAL UPKEEP

Insert	**Remove**	**Trans. By**
501.001 (4 of 6)	501.001 (4 of 6)	E.L. 95
501.001 (5 of 6)	501.001 (5 of 6)	E.L. 95
506.009 (2 of 2)	506.009 (2 of 2)	E.L. 108
506.011 (3 of 6)	506.011 (3 of 6)	E.L. 171
515.001 (4 of 8)	515.001 (4 of 8)	E.L. 95
515.001 (5 of 8)	515.001 (5 of 8)	E.L. 156
520.032	520.032	E.L. 63

Federal-Poverty Level (FPL) – income standards issued annually in the *Federal Register* to account for the last calendar year's increase in prices as measured by the Consumer Price Index.

Fee-for-Service – a method of paying for medical services provided by any MassHealth participating provider with no limit on provider choice.

Gross Income – the total money earned or unearned, such as wages, salaries, rents, pensions, or interest, received from any source without regard to deductions.

Health Insurance – coverage of health-care services by a health-insurance company, a hospital-service corporation, a medical-service corporation, a managed-care organization, or Medicare. Coverage of health-care services by the MassHealth agency (e.g., MassHealth or Children's Medical Security Plan (CMSP)) is not considered health insurance.

Health Safety Net – a source of funding for certain health care under 114.6 CMR 13.00 and 14.00.

Individual – any person not included in the definition of a family or couple.

Individual Policy – a health-insurance policy that covers the policyholder only.

Insurance Partnership Agent (IPA) – the organization under contract with the MassHealth agency to help administer the Insurance Partnership, as described in 130 CMR 650.009. The IPA administers Insurance Partnership payments for those qualified employers who do not obtain employee health-insurance coverage through a BEI or an entity linked to a BEI.

Interpreter – a person who translates for an applicant or member who has limited English proficiency or a hearing impairment.

Large Employer – an employer that:

(1) has more than 50 employees who work 30 or more hours a week;

(2) offers health insurance that meets the basic-benefit level; and

(3) contributes at least 50 percent of the cost of the employees' health-insurance premiums.

Limited English Proficiency – an inadequate ability to communicate in the English language.

Managed Care – a system of primary care and other medical services that are provided and coordinated by a MassHealth managed-care provider in accordance with the provisions of 130 CMR 450.117 et seq. and 130 CMR 508.000 et seq.

Managed-Care Organization (MCO) – any entity with which the MassHealth agency contracts to provide primary care and certain other medical services to members on a capitated basis, including an entity that is approved by the Massachusetts Division of Insurance as a health-maintenance organization (HMO), or that otherwise meets the State Plan definition of an HMO.

MassHealth Agency – the Executive Office of Health and Human Services in accordance with the provisions of M.G.L. c. 118E.

MassHealth Managed-Care Provider – a primary-care clinician or managed-care organization that has contracted with the MassHealth agency to provide and coordinate primary care and certain other medical services to certain MassHealth members.

Medical Benefit Request (MBR) – a form prescribed by the MassHealth agency to be completed by the applicant or an eligibility representative, and submitted to the MassHealth agency as a request for MassHealth benefits.

Medical Benefits – payment for health insurance or medical services provided to a MassHealth member.

Member – a person determined by the MassHealth agency to be eligible for MassHealth.

One-Adult-with-One-Child Policy – a health-insurance policy that covers a family consisting of one adult and one child.

Permanent and Total Disability – a disability as defined under Title XVI of the Social Security Act or under applicable state laws.

(1) For Adults and 18-Year-Olds.

(a) The condition of an individual, aged 18 or older, who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that:

(i) can be expected to result in death; or

(ii) has lasted or can be expected to last for a continuous period of not less than 12 months.

(b) For purposes of this definition, an individual aged 18 or older is determined to be disabled only if his or her physical or mental impairments are of such severity that the individual is not only unable to do his or her previous work, but cannot, considering age, education, and work experience, engage in any other kind of substantial gainful work that exists in the national economy, regardless of whether such work exists in the immediate area in which the individual lives, whether a specific job vacancy exists, or whether the individual would be hired if he or she applied for work. "Work that exists in the national economy" means work that exists in significant numbers, either in the region where such an individual lives or in several regions of the country.

(2) For Children Under Age 18. The condition of an individual under the age of 18 who has any medically determinable physical or mental impairment, or combination of impairments, of comparable severity to an impairment or combination of impairments that disables an adult, or are of such severity that the child is unable to engage in age-appropriate activities, as defined in Title XVI as in effect on July 1, 1996.

(E) Notification of the Deductible.

(1) Except as provided in 130 CMR 501.003(C), the applicant who has excess monthly income will be informed that he or she is currently ineligible for MassHealth, but may establish eligibility by meeting the deductible. The applicant will be informed in writing of the following:

(a) the deductible amount; and

(b) the start and end dates of the deductible period.

(2) A person who meets a deductible will be eligible for MassHealth CommonHealth effective with the begin date of the deductible period.

(F) Persons Deemed to Have Met a Deductible. The following disabled adults will be considered to have met a deductible:

(1) those who were receiving MassHealth on July 1, 1997 as the result of meeting a deductible; and

(2) those who were denied eligibility with a deductible before July 1, 1997, but who submit medical bills on or after July 1, 1997 to meet the deductible.

(G) Submission of Bills to Meet the Deductible.

(1) Criteria. To establish eligibility, the applicant must submit verification of medical or remedial bills whose total equals or exceeds the deductible and that meets the following criteria.

(a) The bill must not be subject to further payment by health insurance or other liable third-party coverage, including the Health Safety Net.

(b) The bill must be for an allowable medical or remedial expense as provided in 130 CMR 506.009(G)(2). A remedial expense is a nonmedical support service made necessary by the medical condition of any individual in the family group.

(c) The bill must be unpaid and a current liability, or, if paid, was paid during the six-month deductible period.

(d) The bill may not be for one of the following services:

(i) cosmetic surgery;

(ii) rest-home care;

(iii) weight-training equipment;

(iv) massage therapy;

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

(1) Extreme financial hardship means that the member has shown to the satisfaction of the MassHealth agency 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, totaling more than 7.5% of the family group's gross annual income, that are not subject to payment by the Health Safety Net, and have not been paid by a third-party insurance, including MassHealth (in this case "medical and dental expenses" means any outstanding medical or dental services debt that is currently owed by the family group, regardless of the date of service); or

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

(2) If the MassHealth agency determines that the requirement to pay a premium results in extreme financial hardship for a member, the MassHealth agency 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. The six-month time period begins in the month after a documented hardship request is granted. At the end of the six-month period, the member may submit another request. Requests for premium relief should be addressed to the MassHealth agency.

(G) Voluntary Withdrawal. If a member wishes to voluntarily withdraw from receiving MassHealth coverage, it is the member's responsibility to notify the MassHealth agency of his or her intention by phone or, preferably, in writing. Coverage continues through the end of the calendar month of withdrawal. The member is responsible for the payment of all premiums up to and including the calendar month of withdrawal.

Global Developmental Skills — a child's average developmental skill level, taking into account the physical, psychological, motor, intellectual, emotional, communicative, and social aspects of the child's functional capabilities.

Grantor — an individual or spouse who creates a trust.

Gross Income — the total money earned or unearned, such as wages, salaries, rents, pensions, or interest, received from any source without regard to deductions.

Guardian — an individual or entity appointed as guardian by the probate and family court under the provisions of M.G.L. c. 201.

Guardianship Fees and Related Expenses — fees for guardianship services and incurred expenses that are essential to enable an incompetent applicant or member to gain access to or consent to medical treatment.

Health Safety Net — a source of funding for certain health care under 114.6 CMR 13.00 and 14.00.

Income Deductions — specified deductions, as described in 130 CMR 520.011 through 520.014, that may be made from the gross income of an applicant or member.

Incompetent Applicant or Member — an applicant or member who has been adjudicated as incompetent and in need of a guardian by the probate and family court under the provisions of M.G.L. c. 201.

Individual — an applicant, a member, a spouse who is acting on behalf of the applicant or member, or any person, court, or administrative body with the legal authority to act on behalf of or at the request of the applicant, member, or spouse and may include a trustee, guardian, conservator, or an agent acting under a durable power of attorney.

Institution (Medical) — a public or private facility providing acute, chronic, or long-term care, unless otherwise defined within 130 CMR 515.000 through 522.000. This includes acute inpatient hospitals, licensed nursing facilities, state schools, intermediate-care facilities for the mentally retarded, public or private institutions for mental diseases, freestanding hospices, and chronic-disease and rehabilitation hospitals.

Institutionalization — placement of an individual in one or more medical institutions, where placement lasts or is expected to last for a continuous period of at least 30 days.

Interpreter — a person who translates for an applicant or member who has limited English proficiency or a hearing impairment.

Irrevocable Trust — a trust that cannot be in any way revoked by the grantor.

Jointly Held Resources — resources that are owned by an individual in common with another person or persons in a joint tenancy, tenancy-in-common, or similar arrangement.

Life Estate — a life estate is established when all of the remainder legal interest in a property is transferred to another, while the legal interest for life rights to use, occupy, or obtain income or profits from the property is retained.

Limited English Proficiency — an inadequate ability to communicate in the English language.

Look-Back Period — a period of consecutive months that the MassHealth agency may review for transfers of resources to determine if a period of ineligibility for payment of nursing-facility services should be imposed.

Lump-Sum Income — a one-time payment, such as an inheritance or the accumulation of recurring income.

MassHealth Agency — the Executive Office of Health and Human Services in accordance with the provisions of M.G.L. c. 118E.

Medical Benefits — payment for medical services provided to a MassHealth member.

Member — a person determined by the MassHealth agency to be eligible for MassHealth.

Nursing-Facility Resident — an individual who is a resident of a nursing facility, is a resident in any institution, including an intermediate-care facility for the mentally retarded (ICF/MR), for whom payment is based on a level of care equivalent to that received in a nursing facility, is in an acute hospital awaiting placement in a nursing facility, or lives in the community and would be institutionalized without community-based services provided in accordance with 130 CMR 519.007(B).

Patient-Paid Amount — the amount that a member in a long-term-care facility must contribute to the cost of care under the laws of the Commonwealth of Massachusetts.

Period of Ineligibility — the period of time during which the MassHealth agency denies or withholds payment for nursing-facility services because the individual has transferred resources for less than fair-market value.

520.032: Submission of Bills to Meet the Deductible

(A) Criteria. To establish eligibility by meeting a deductible, the individual must submit verification of medical bills whose total equals or exceeds the deductible and that meet the following criteria.

(1) The bill must not be subject to further payment by health insurance or other liable third-party coverage, including the Health Safety Net.

(2) The bill must be for an allowable medical or remedial-care expense in accordance with 130 CMR 520.032(B). A remedial-care expense is a nonmedical support service made necessary by the medical condition of the individual or the spouse.

(3) The bill must be unpaid and a current liability or, if paid, paid during the current six-month deductible period.

(4) Any bill or portion of a bill used to meet a deductible may not be applied to any other deductible period. However, any portion of a bill not used to meet the current deductible may be used in a future deductible period. The MassHealth agency will not pay any bills or portions of bills that are used to meet the deductible. These bills remain the responsibility of the applicant.

(B) Expenses Used to Meet the Deductible. The MassHealth agency applies bills to meet the deductible in the following order:

(1) Medicare and other health-insurance premiums credited prospectively for the cost of six months' coverage, deductibles, enrollment fees, or coinsurance charges incurred by the individual and the spouse including copayments imposed under 130 CMR 520.036;

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(2) expenses incurred by the individual and the spouse for necessary medical and remedial-care services that are recognized under state law but are not covered by MassHealth, including guardianship fees and related expenses as described in and allowed under 130 CMR 520.026(E)(3); and

(3) expenses incurred by the individual, a family member, or financially responsible relative for necessary medical and remedial-care services that are covered by MassHealth.