



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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MassHealth
 Eligibility Letter 192
 December 1, 2009

TO: MassHealth Staff

FROM: Terence G. Dougherty, Interim Medicaid Director *TGD*

RE: Revisions to Regulations about Premium Billing and the Children’s Medical Security Plan Premiums

MassHealth is revising the regulations about premium billing. The regulations about payments, past-due balances, and hardship waivers are being changed.

In addition, MassHealth is revising the premiums for Children’s Medical Security Plan (CMSP) members with family group income greater than or equal to 400.1% of the federal poverty level.

These regulations are effective December 15, 2009.

MANUAL UPKEEP

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506.011: MassHealth Standard, CommonHealth, Family Assistance, and the Children's Medical Security Plan (CMSP) Premiums

(A) MassHealth Standard, CommonHealth, Family Assistance, and the Children's Medical Security Plan (CMSP) Premiums. MassHealth may charge a premium to certain MassHealth CommonHealth and Family Assistance members, and to certain women with breast or cervical cancer who receive MassHealth Standard in accordance with 130 CMR 505.002(H) who have incomes above 150 percent of the federal-poverty level. MassHealth may charge a premium to members of the Children's Medical Security Plan (CMSP) who have incomes at or above 200 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 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) CMSP premiums are based on family group countable income and family group size as it relates to the federal-poverty level income guidelines.
- (5) When the family group contains members in more than one coverage type or program, including CMSP, 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) through (E); 505.005(B)(3), (E) through (G); and 522.004(C).

- (1) Persons described in 130 CMR 501.006, 505.002(C)(2), (F)(2), and (H), 505.004(B) through (E), 505.005(B)(3), (E) through (G), and 522.004(C) who are assessed a premium are responsible for monthly premium payments beginning with the calendar month following the date of MassHealth's eligibility determination, unless the member contacts the MassHealth agency, by telephone or in writing, and requests a voluntary withdrawal within 60 calendar days from the date of the eligibility notice and premium notification.

(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.

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

(C) Delinquent Premium Payments.

(1) Termination for Delinquent Premium Payments. If MassHealth has billed a member for a premium payment, and the member does not pay the entire amount billed within 60 days of the date on the bill, then the member's eligibility for benefits is terminated. 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

(a) pays all delinquent amounts that have been billed;

(b) establishes a payment plan and agrees to pay the current premium being assessed and the payment-plan-arrangement amount;

(c) is eligible for a nonpremium coverage type; or

(d) is eligible for a MassHealth coverage type that requires a premium payment and the delinquent balance is from a CMSP benefit.

(2) Default on a Payment Plan.

(a) 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 payment plan is terminated and the past due balance is due in full.

(b) If the member is in a premium-paying coverage type and does not pay the past due amount within 60 days of the date on the bill, the member's eligibility is terminated.

(c) If a member has defaulted on a payment plan twice within a 24-month period, the member must pay in full any past due balances before they can be determined eligible for a coverage type that requires a premium payment.

(d) A member may be granted additional payment plans if the member has been approved for a hardship waiver as described at 130 CMR 506.011(F).

- (3) Referral to State Intercept Program for Collection of Delinquent Payment. The MassHealth agency may refer a member who is 150 days or more in arrears to the State Intercept Program (SIP) in compliance with 815 CMR 9.00: Collection of Debts. Members will not be referred to SIP for collection of a past due balance if they have and are currently paying on the payment-plan arrangement that was approved by the MassHealth agency.
- (D) Reactivating Coverage Following Termination When a Member Has a Past-Due Balance.
- (1) If no waiting list has been established pursuant to 130 CMR 501.003(C) and (D) or 522.004(H), 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, children (through age 18) eligible for CMSP or adults (aged 19 or older) whose eligibility has been terminated 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. Outstanding premium balances that are older than 24 months are waived.
- (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.

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- (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
- (a) waive payment of the premium or reduce the amount of the premiums assessed to a particular family; or
 - (b) grant a full or partial waiver of a past due balance. Past due balances include all or a portion of a premium accrued before the first day of the month of hardship; or
 - (c) both 130 CMR 506.011(G)(2)(a) and (b).
- (3) Hardship waivers may be authorized for six months. At the end of the six-month period, the member may submit another hardship application.
- (a) The six-month time period begins on the first day of the month in which the hardship application and supporting documentation is received by the MassHealth agency.
 - (b) The six-month time period may be retroactive to the first day of the third calendar month before the month of hardship application.
- (4) If a hardship waiver is granted and past-due balances are not waived, the MassHealth agency will automatically establish a payment plan for the member for any past-due balances.
- (a) The duration of the payment plan will be determined by the MassHealth agency. The minimum monthly payment on the payment plan will be \$5.
 - (b) The member must make full monthly payments on the payment plan for the hardship waiver to stay in effect. Failure to comply with the established payment plan will terminate the hardship waiver.
- (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 may continue 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, unless the request for voluntary withdrawal is made in accordance with 130 CMR 506.011(B)(1).

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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 for women with breast or cervical cancer, the Family Assistance premium amount for the purchase of medical benefits schedule, or the CMSP premium schedule.

(I) The Monthly MassHealth Standard, CommonHealth, and Certain Family Assistance Members Premium Schedules. 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 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 150 Percent to 300 Percent of the Federal-Poverty Level. The premium formula is provided below. If income is above 300% of the federal-poverty level, refer to the “Full Premium Formula” chart in 130 CMR 506.011(I)(1).

FULL PREMIUM FORMULA	
% of Federal-Poverty Level (FPL)	Premium Cost
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)

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(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.

SUPPLEMENTAL PREMIUM FORMULA	
% of Federal-Poverty Level (FPL)	Premium Cost
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 for Women with Breast or Cervical Cancer (BCC). Women with breast or cervical cancer who are described at 130 CMR 505.002(H) and have income above 150 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.

BCC PREMIUM SCHEDULE	
% of Federal-Poverty Level (FPL)	Premium Cost
Above 150% 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 for Children.
 MassHealth Family Assistance members for whom the MassHealth agency purchases medical benefits under 130 CMR 505.005(B)(3) and (E) are assessed a monthly premium in accordance with the following premium schedule.

FAMILY ASSISTANCE PREMIUM SCHEDULE	
% of Federal-Poverty Level (FPL)	Premium Cost
Above 150% to 200%	\$12 per child (\$36 family group maximum)
Above 200% to 250%	\$20 per child (\$60 family group maximum)
Above 250% to 300%	\$28 per child (\$84 family group maximum)

- (K) Children’s Medical Security Plan (CMSP) Premiums.

CMSP PREMIUM SCHEDULE	
% of Federal-Poverty Level (FPL)	Premium Cost
Greater than or equal to 200%, but less than or equal to 300.9%	\$7.80 per child per month; family group maximum \$23.40 per month
Greater than or equal to 301.0%, but less than or equal to 400.0%	\$33.14 per family group per month
Greater than or equal to 400.1%	\$64.00 per child per month

- (L) Members Exempted from Premium Payment. The following members are exempt from premium payments:

- (1) MassHealth Family Assistance members under age 19 who are American Indians or Alaska Natives, as defined in 130 CMR 501.001;
- (2) MassHealth members with family group income at or below 150 percent of the federal-poverty level;
- (3) pregnant women and children under age one receiving MassHealth Standard; and
- (4) children when a parent or guardian in the family group is paying a premium for and is receiving Commonwealth Care. The premiums for children will be waived after the parent or guardian has enrolled in a Commonwealth Care health plan and is paying a Commonwealth Care health-plan premium, but the premiums for children will not be waived before the parent or guardian has enrolled in a Commonwealth Care health plan.