**FY18 MassHealth and Commercial Market Reform Package Updates**

**September 8, 2017**

The Baker-Polito Administration remains committed to ensuring a robust and sustainable MassHealth program that preserves affordable coverage for members while putting MassHealth on a more sustainable fiscal trajectory. The Executive Office of Health and Human Services (EOHHS) values and has carefully evaluated the public comments and feedback received on the [*FY18 MassHealth and Commercial Market Reform Package*](http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/masshealth-innovations/fy18-budget-health-care-reform-package-fact-sheet-july-20-2017.pdf).

In response to feedback received, EOHHS has made several updates to the proposal. Several items are included in the September 8, 2017 formal MassHealth 1115 waiver submission to the Centers for Medicare and Medicaid Services (CMS), which can be found on the MassHealth Innovations website (www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/masshealth-innovations). Other items (noted below) are not described in the proposal to CMS because they do not require federal waiver authority, but are nonetheless important state policy updates.

The updates are described below:

**Updates to the FY18 MassHealth and Commercial Market Reform Package**

* **Update 1: eliminate the ESI gate requirement**. Instead, MassHealth will focus on working with the employer community to reintroduce employer reporting on ESI availability to help maximize premium assistance for Medicaid eligible individuals who have access to ESI.
* **Update 2: exempt veterans from the shift from MassHealth to the Connector**
	+ ACA rules disqualify veterans who have access to comprehensive federal veterans’ health coverage from subsidized Health Connector coverage
	+ These veterans will be exempt from the shift of non-disabled adults 21-64 >100% FPL to the Health Connector and will remain on MassHealth
	+ In addition, the 1115 waiver proposal seeks federal authority to disregard income received from Commonwealth annuities for veterans and Gold Star families that may prevent these annuity recipients from qualifying for MassHealth
* **Update 3: maintain current premium assistance wraps for non-disabled adults** (for non-disabled adults enrolled in employer sponsored coverage, the original proposal maintained benefit wraps for dental, NEMT, and BH, but exempted MassHealth from wrapping services typically covered by commercial plans)
* **Update 4: mitigate any cost-sharing impact** for the population that will transition from MassHealth to ConnectorCare (~140K non-disabled adults 21-64 >100% FPL)
	+ EOHHS will transition non-disabled adults 21-64 between 100-133% FPL from MassHealth to the Health Connector, planned for 1/1/19
	+ At the same time, subject to approval by the Health Connector Board of Directors, the Heath Connector will extend income eligibility for ConnectorCare Plan Type 1 from 100% FPL to 133% FPL
		- This allows the ~140K adults transitioning to ConnectorCare to have the same co-pay schedule as MassHealth (and would match adjustments to the MassHealth co-pay schedule planned for 1/1/19)
		- Plan Type 1 gives members access to $0 premium plans
	+ The non-disabled adults who will transition from MassHealth to the Health Connector would be eligible for Plan Type 1 and therefore **will have access to Health Connector plans with the same co-pay as MassHealth plans**
	+ Extending ConnectorCare Plan Type 1 will also reduce out of pocket costs and co-pays for current ConnectorCare members with income between 100-133% FPL
	+ As previously discussed, MassHealth is also eliminating copays for individuals <50% FPL as of 1/1/19
* **Update 5: expand subsidized dental coverage for the Health Connector’s ConnectorCare Plan Type 1.** This mitigates any concerns around access to dental coverage for the population that will be transitioned to the Health Connector by providing Plan Type 1 enrollees the same dental benefits that MassHealth members have, effective 1/1/19. **It has the added benefit of expanding dental coverage for ~30K individuals currently in ConnectorCare who will be in the newly expanded version of Plan Type 1.**

**Authorities required:**

* Federal: updates 1, 2, and 3 are reflected in the September 8, 2017 MassHealth 1115 waiver proposal to CMS
* State: legislative approval of H. 3828, Attachment F, with modifications, including:
	+ Removal of language re: ESI gate (Update 1)
	+ Conforming language to support dental expansion for ConnectorCare Plan Type 1 (Update 5)
* Connector: the Health Connector will seek approval from its Board of Directors for Updates 4 and 5