

**Submission of a Request to Amend the MassHealth Section 1115 Demonstration:  
Summary and Public Comment Period**

The Massachusetts Executive Office of Health and Human Services (EOHHS) announces its intent to submit a Request to Amend the MassHealth Section 1115 Demonstration (Amendment) to the Centers for Medicare and Medicaid Services (CMS) on May 31, 2013.

**Public Comment Period:**

EOHHS will accept comments on the proposed Amendment through 5pm on May 30, 2013. Written comments may be delivered by email or mail. By email, please send comments to [anna.dunbar-hester@state.ma.us](mailto:anna.dunbar-hester@state.ma.us) and include "Comments for Demonstration Amendment" in the subject line. By mail, please send comments to: Anna Dunbar-Hester, EOHHS Office of Medicaid, One Ashburton Place, 11<sup>th</sup> Floor, Boston, MA 02108. Comments must be received by May 30, 2013 in order to be considered.

EOHHS will host a Stakeholder Meeting open to the public on the proposed Amendment and additional ACA implementation items. The meeting details are as follows:

**Date:** Friday, May 17  
**Time:** 3:00-4:00pm  
**Location:** 250 Washington Street, 2<sup>nd</sup> Floor  
Public Health Council Room  
Boston, MA 02108

The Amendment documents may be obtained on the MassHealth 1115 Demonstration website: <http://www.mass.gov/eohhs/gov/departments/masshealth/masshealth-and-health-care-reform.html>. Additional updates and final submissions to CMS will also be posted on this website.

Paper copies of the Amendment documents may be obtained in person by request from 9am-5pm at the Executive Office of Health and Human Services, One Ashburton Place, 11<sup>th</sup> Floor, Boston, MA 02108.

**Background:**

The MassHealth Section 1115 Demonstration provides federal authority for Massachusetts to expand eligibility to individuals who are not otherwise Medicaid or CHIP eligible, offer services that are not typically covered by Medicaid, and use innovative service delivery systems that improve care, increase efficiency, and reduce costs. The current 1115 Demonstration is authorized through June 30, 2014. The Executive Office of Health and Human Services is requesting CMS to approve an amendment to the Demonstration to implement the Affordable Care Act and to make other changes.

## **Summary:**

### Affordable Care Act Implementation

The proposed Amendment outlines the new waiver and expenditure authorities being requested from CMS to implement changes consistent with the Affordable Care Act (ACA) affecting eligibility, benefits, programs and delivery systems, as well as proposed changes to existing authorities under the Demonstration. An attachment to the Amendment is a Transition Plan that explains in additional detail how the State plans to coordinate the transition of individuals enrolled in the Demonstration to a new coverage option available under the ACA without interruption in coverage to the extent possible.

Through the amendment, Massachusetts seeks to obtain federal approval to transition a number of current eligibility categories (also known as coverage types) to the new post-ACA structure, in which MassHealth will cover all citizens and qualified aliens up to 133 percent of the Federal Poverty Level (FPL) regardless of categorical eligibility factors. The Commonwealth also seeks to provide subsidies known as “State Wrap” that will supplement federal subsidies available through the Health Connector in order to maintain the affordability standards that Massachusetts has established under state health care reform.

Under the new configuration, certain eligibility categories under the Demonstration will no longer be necessary. Massachusetts plans to discontinue: MassHealth Basic, MassHealth Essential, the Medical Security Plan, the Insurance Partnership (for small businesses) and Commonwealth Care. Individuals currently enrolled in these coverage types will have access to subsidized coverage options under the ACA that offer benefits commensurate with, and in some cases richer than, the coverage they have today. Individuals who are HIV-positive or have breast or cervical cancer also will continue to receive benefits at the coverage and income level that they do today.

The Amendment also describes the Commonwealth’s approach to transitioning current members to the new MassHealth coverage types on January 1, 2014, as seamlessly as possible. Many individuals who will be eligible for MassHealth coverage in 2014 will be transitioned administratively without having to reapply or provide additional information. Individuals who are likely eligible for subsidized Qualified Health Plans (QHPs) through the Health Connector will be directed to apply through the new Health Insurance Exchange/Integrated Eligibility System (HIX/IES), which will launch on October 1, 2013. In addition, MassHealth and the Health Connector plan to implement a variety of new policies to promote continuity for members transitioning between the two agencies and for households with members enrolled in coverage through both agencies.

### Primary Care Payment Reform

The Amendment describes the Primary Care Payment Reform Initiative (PCPR). PCPR is the primary vehicle to transition MassHealth members to alternative payment methodologies, as required by Chapter 224, the Commonwealth’s pioneering 2012 payment reform and cost containment legislation.

### Cost Limit Protocol

During the Demonstration period ending June 30, 2014, MassHealth is required to develop a protocol to limit certain payments made under the Safety Net Care Pool to costs on a provider-specific basis. The cost limits will go into effect starting July 1, 2014. Through the Amendment MassHealth proposes to extend the deadline for finalizing the protocol from October 1, 2013 until June 30, 2014.

### Designated State Health Programs

Through the Amendment, the Commonwealth requests new expenditure authorities for Designated State Health Programs (DSHP) for January 1 through June 30, 2014, including for “State Wrap” premium assistance payments for QHP enrollees up to 300 percent FPL, DSHP programs previously authorized under the Demonstration, and Chapter 224-related expenditures.

Continued federal support through DSHP is critical as the Commonwealth undertakes implementation of both the ACA and Chapter 224. Massachusetts remains a leader nationwide in health care reform, and the proposed federal support will help the Commonwealth to succeed in the ambitious agenda we have laid out while maintaining the unparalleled gains in health coverage, access and affordability achieved under state health care reform.