



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 168
October 1, 2007

TO: MassHealth Staff

FROM: Tom Dehner, Medicaid Director 

RE: **Revision to Regulations about Family Assistance Premium Assistance**

MassHealth is revising the regulations to bring MassHealth Family Assistance premium assistance into compliance with health-care reform law.

MassHealth is changing the eligibility requirements for premium assistance for adults to include the requirement that:

- the adult must have received premium assistance before September 30, 2006; or
- 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; or
- the adult is self-employed.

These regulations were effective October 2, 2006.

MANUAL UPKEEP

| <u>Insert</u> | <u>Remove</u> | <u>Trans. By</u> |
|-------------------|-------------------|------------------|
| 505.005 (4 of 12) | 505.005 (4 of 12) | E.L. 148 |
| 505.005 (5 of 12) | 505.005 (5 of 12) | E.L. 164 |

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(d) If the MassHealth agency determines the child has access to insurance as described at 130 CMR 505.005(B)(1)(a)(i), the applicant is notified in writing of the child's eligibility for premium assistance and the need to enroll in such insurance. The child continues to be eligible for medical benefits for up to 60 days from the date of this notice to allow time for enrollment in the health-insurance plan. Once enrolled in the health-insurance plan, the child becomes eligible for premium assistance payments as described in 130 CMR 505.005(B)(4).

(e) The medical benefits described in 130 CMR 505.005(B)(3)(d) end when the child is covered under the health-insurance plan. Coverage also ends if the family group member fails to enroll the child in the health-insurance plan, or fails to submit proof of such enrollment within 60 days of being notified of this requirement.

(f) If the MassHealth agency determines the available insurance does not meet the requirements of 130 CMR 505.005(B)(1)(a) or, if the MassHealth agency is unable to complete its evaluation of the health insurance within 60 days of the MassHealth agency's receipt of a complete MBR, the applicant is notified in writing of the child's eligibility for the purchase of medical benefits under MassHealth Family Assistance, as described in 130 CMR 505.005(E).

(4) Premium Assistance Payment.

(a) The MassHealth agency makes monthly payments on behalf of a child toward the cost of the employer-sponsored health insurance premium if:

(i) the child meets the requirements of 130 CMR 505.005(B)(1);

(ii) the policyholder is a member of the child's family group; and

(iii) the policyholder is responsible for payment of more than the estimated member share described in 130 CMR 506.012(D)(1)(a).

(b) The amount of the premium assistance payment is established in accordance with the MassHealth premium assistance payment formula described in 130 CMR 506.012(D).

(c) Premium assistance payments are made in accordance with 130 CMR 506.012(A)(2) and (3).

(5) Eligibility Date. Premium assistance payments begin in the month of the MassHealth agency's eligibility determination, or in the month the health-insurance deduction begins, whichever is later. Each monthly payment is for coverage in the following month.

(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

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- (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:
- (i) received premium assistance under 130 CMR 505.005(C) before September 30, 2006; or
 - (ii) 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 for which the adult is eligible; or
 - (iii) is self-employed;
- (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.