



## MassHealth Cost Sharing Policy Update Call June 02, 2020

### Introduction

Presenter: Kara Chiev from the MassHealth External Training and Communications

### **(Title slide) Slide 1: UNDERSTANDING MASSHEALTH'S COST SHARING POLICY UPDATES**

I will be walking you through today's session about MassHealth Cost Sharing Policy Updates. This is a two-part session. During this particular session, you'll hear all about the phases of each of the implementation approaches and how it will be implemented. Specifically, how phase 1 will be rolled out in July, and the second session will be right before the full implementation goes into effect.

### **Slide 2: Agenda**

- Understanding MassHealth's Cost Sharing Policy: Overview
- Approach to Implementation
- Phase 1 Overview
- What Members Need to Know
- Provider Outreach
- FAQ
- Tools and Resources

### **(Title slide) Slide 3: UNDERSTANDING MASSHEALTH'S COST SHARING POLICY: OVERVIEW**

#### **Slide 4: What is Cost Sharing?**

At a high level, what is cost sharing?

Cost sharing is defined as the dollar amount eligible members pay when they get certain health care services. For MassHealth, cost sharing includes premiums and copays. MassHealth is updating the cost sharing policy in order to come into compliance with the rules set forth in the Affordable Care Act, or the ACA. Copayments include certain drugs dispensed at pharmacies. Currently, drug copays for generic name drugs are \$1.00, and for brand name drugs they're \$3.65. Premium payment is the amount charged as a condition for a member to enroll in MassHealth coverage. The premium schedule is not expected to change at this time.

What will be the limit amount of cost share members need to pay?

An individual's cost sharing cannot exceed 5% of their family income on a monthly basis. Their cap is based on copays and premiums incurred, not copays paid. That is, a member does not have to actually have paid the copay to reach the cap. Lastly, for household compositions, the 5% is the cost sharing aggregate however, MassHealth will determine members copay caps based on 2% on a monthly basis.

#### **Slide 5: What are Copays?**

Copays, or copayment, is defined as the dollar amount charged by a provider to a member for use of a covered service or item.

#### **Slide 6: What are Copay Caps?**

The copay cap is the maximum dollar amount of copays that a member can be charged in a given time period.



**(Title slide) Slide 7: APPROACH TO IMPLEMENTATION**

**Slide 8: How are Copays Capped?**

A member does not have to actually have paid the copay to reach the cap. This slide provides an overview of the Current State. Then in July, looking at Phase 1 and what will be implemented. Then, on January 1<sup>st</sup>, when cost sharing is fully implemented, or our Phase 2.

Looking at the Current State. Currently copays are capped annually for both pharmacy and acute inpatient hospital services. That's \$250 per calendar year on drugs dispensed by pharmacies and \$36 per calendar year on non-behavioral health acute inpatient hospital stays.

Moving into Phase 1, which will start July 1<sup>st</sup>, no changes to the copay schedule. It is still an annual cap of \$250 per calendar year. What's new in Phase 1, is that all members at or below 50% of the federal poverty level (FPL) and "referred eligibles", will have their copays eliminated. Copays for acute inpatient hospital were slated for elimination on July 1<sup>st</sup>, but that has ready happened. Members needing inpatient, non-behavioral health acute inpatient stays are not paying any copays.

Moving to Phase 2, which is full implementation. That will be rolled out on January 1<sup>st</sup> of 2021. MassHealth will start tracking copays on a monthly basis for drugs dispensed by pharmacies. MassHealth numbers will be assigned a copay cap which will not exceed 2% of the family income.

**Slide 9: How Will Cost Sharing be Rolled Out?**

Here, you have a detailed look at each phase of implementation. Cost sharing changes will be implemented in two phases. Phase 1, or partial implementation, will be rolled out next month. We're eliminating copays for members with incomes at or below 50% FPL, and for members who are "referred eligible", which are those members who are categorically eligible for MassHealth because they're receiving other basic assistance or other public assistance like: SSI benefits; or the Transitional Aid to Families with Dependent Children, that's TAFDC; cash assistance.

Copays will be eliminated for all members accessing FDA-approved medications for detox and maintenance treatment for SUD, that's the substance use disorder, and preventive services. In Phase 2, or when the policy is fully implemented which will be January 1<sup>st</sup> of 2021, MassHealth will change from an annual copay structure to a monthly structure and members will be assigned a copay cap. As mentioned earlier, it won't exceed 2% of the family income. What's also new here, is the members will receive a notice every time there is a change to their copay cap amount or when they've met their cap for the month.

**(Title slide) Slide 10: PHASE 1 OVERVIEW**

**Slide 11: What is Changing?**

This slide gives you a greater detail of what's changing and what will stay the same. For Phase 1 of implementation in the "What is Changing" box, the first bullet was expanded to stipulate that if a member's income changes during the month, their exclusion will remain in place. For Phase 1 what is staying the same, the current exclusion list for which copays do not apply, for example: pregnant women and Native American members. What's also not changing is how MassHealth providers submit claims.

**Slide 12: Who is Not Subject to Cost Sharing?**

Here it provides you with the exclusion list for members and services not subject to copays. Members new to this list are those MassHealth members who are at or below 50% FPL and those "referred eligibles". They will be excluded from copays. Here you'll also find the list of services that will be excluded starting July 1<sup>st</sup>.



Currently, members are not paying copays for emergency services, family planning services and supplies, smoking cessation products and drugs, and preventive services. In July, SUD medications and treatments will be added to that list, as well as, all preventive services, and all approved vaccines and their administration. As noted earlier, acute inpatient hospital stays have been eliminated.

**Slide 13: What Are the Services Excluded from Copays?**

This is a summary of the drug categories that are on the exclusion list. In the Appendix at the end of this presentation, for your reference, we've provided a full list of the medications and vaccines. Just to note, these drugs and vaccines listed are subject to change. Please let your members know that if they have specific questions about their copays, or if one of their medications they've been prescribed is on the exclusion list, they can reach out to their health plan, either the ACO, MCO plans, or MassHealth, for the latest information.

**(Title slide) Slide 14: WHAT DO MEMBERS NEED TO KNOW**

Here are some sample notices members will receive. As of last week, letters have been sent, or we started sending letters, to let members know of these changes.

**Slide 15: How Will Members Be Notified?**

Here's an example of the letter members who are newly excluded from copays will receive. Those who are at or under 50% FPL and the "referred eligibles". It will let them know they no longer have to pay copays for covered drugs. I want to point out at the top of the letter, and if members ask you, this letter is not a bill from MassHealth, it is informational and stating that their benefits didn't change.

**Slide 16: How Will Members Be Notified? (cont.)**

Here's the next sample letter. It's similar to the last letter, but this is more of an insert. This will be added to notices for newly MassHealth eligible members. They'll receive this in addition to their MassHealth eligibility notice to let them know of our copay policy.

**Slide 17: Member Resources and Information: New Feature: Benefits of Any Price, Any Time**

Here are some resources for where copay policies will be found. Our MassHealth website will be updated, as well as, both the ACA and SACA member booklets to reflect cost sharing update. The member handbook which members receive from their health plans will also provide information on these changes. Additionally, members can call MassHealth customer service if they have any questions about their eligibility or copays.

**(Title slide) Slide 18: PROVIDER OUTREACH**

You've heard how members will be notified. For our provider community, how will they be notified of these changes?

**Slide 19: Provider Bulletin**

We'll notify all providers of the change to copay policies through the All Provider Bulletin. The bulletin has been published. If you'd like to review this bulletin, that is available on the MassHealth providers web page.

**Slide 20: Pharmacy Facts**

MassHealth will notify pharmacy providers of the changes to copay policies in mid-June through the MassHealth Pharmacy Facts. The Pharmacy Facts provide current information for pharmacists about the MassHealth pharmacy program. Pharmacy Facts is on the MassHealth website. For more information, or to sign up to receive Pharmacy Facts, go to the MassHealth landing page and select "Information for MassHealth providers", and then select the pharmacy program page. You can sign up for the Pharmacy Facts through that web page.



**(Title slide) Slide 21: FREQUENTLY ASKED QUESTIONS**

Now, let's move on to the frequently asked questions.

**Slide 22: FREQUENTLY ASKED QUESTIONS (cont.)**

Here are just some common questions we think members may have related to their copays and the new policy. The first question is, "Am I exempt from copays?" The answer to that, is that members who fall under one of the categories listed in Slide 12, which provides all of those members excluded, are exempt from copays. If the members have questions about their individual situation, they should contact MassHealth Customer Service.

And the second question is, "Who is responsible for implementing my exemption?" Depending on the health plan, it would be the Accountable Care Partnership plans and the Managed Care plans. Members with income less than 50% FPL, who will be MassHealth referred eligible. They can refer to MassHealth. All other copay exemptions for the Accountable Care Partnership plans and MCO, they can reach out to their health plans.

**Slide 23: FREQUENTLY ASKED QUESTIONS (cont.)**

Here are some additional FAQs. "What is my copay cap?" The answer is, all members have an annual pharmacy copay cap of \$250. Note, during partial implementation that's not going to change. It will change, however, when we fully implement cost sharing. The second question is, "What if I cannot afford my copay?" The response here is that the pharmacy cannot refuse to give you the service or medicine, even if you cannot pay the copayment. However, the pharmacy can bill you later for the copayment, so it's important to let members know that. But, if they can't pay their copay when they're getting their drugs at the pharmacy, the pharmacy cannot refuse to give them the service.

**(Title slide) Slide 24: Any Questions?**

Before we move to the Q&A, I just wanted to note the Appendix which starts on Slide 25. It provides you with some tools and resources.

**(Title slide) Slide 25: Tools and Resources**

**Slide 26: Definitions**

This slide defines some key terms which will be important if members start asking you questions about how MassHealth defined some of those terms.

**(Title slide) Slide 27 LIST OF DRUGS AND VACCINES EXCLUDED FROM COPAYS**

**Slides 28-35: List of Drugs and Vaccines Excluded from Copays**

Slides 28-35 are the lists of drugs and vaccines excluded from copays. Please note, that the list of drugs and vaccines are current as of December 13, 2019. The drugs and vaccines in this list are subject to change. Please reach out to the member's assigned ACO, MCO, or MassHealth for the latest information. Members should be reaching out to their respective health plans if they need more information about their particular situation or prescription.