



ACA LEARNING SERIES

Impact on Massachusetts & Implementation Activities to Date

Massachusetts Health Care Training Forum (MTF)

July 2012

A collaborative effort between the
Executive Office of Health and Human Services and the Health Connector

Agenda

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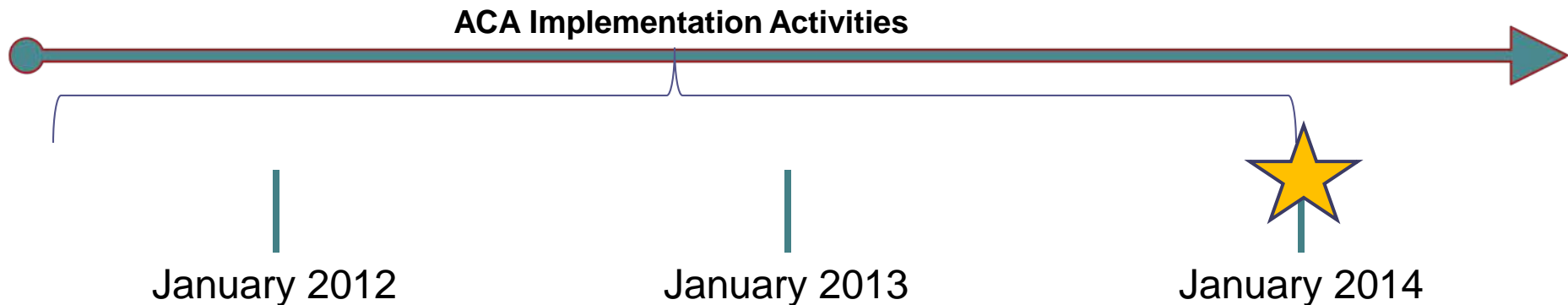
- Guiding Principles
- ACA Key Concepts
- Basic Health Plan
- Proposed ACA Coverage Model
- Eligibility-Related Changes
- Exchange and Integrated Eligibility System (HIX-IES)
- MA Implementation Activities

Massachusetts ACA Learning Series

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The purpose of this ACA Learning Series is to educate staff who currently assist Commonwealth Care, Commonwealth Choice, MassHealth and Health Safety Net (HSN) members at Massachusetts hospitals, health centers and community-based organizations

- Introduce key concepts and create awareness
- Deliver important, detailed information that will prepare you for assisting populations you serve
- Provide you with specific information and training to help populations obtain coverage



Background: Guiding Principles

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Creating a **consumer-centric approach** to ensure that all eligible Massachusetts residents avail themselves of available health insurance subsidies to make health care affordable to as many people as possible.

Creating a **single, integrated process** to determine eligibility for the full range of health insurance programs including Medicaid, CHIP, Basic Health Program and premium tax credits and cost-sharing subsidies.

Offering **appropriate health insurance coverage** to eligible individuals by defining both the populations affected and the health benefits that meet their needs.

Working **within state fiscal realities**, maximizing and leveraging financial resources, such as Federal Financial Participation (FFP).

Background: Guiding Principles

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Focusing on **simplicity and continuity of coverage** for members by streamlining coverage types, thereby making noticing and explanation of benefits more understandable, and also minimizing disruptions in coverage.

Creating an **efficient administrative infrastructure** that leverages technology and eliminates administrative duplication.

Building off the **lessons learned** since passage of Chapter 58.

Creating opportunities to achieve payment and delivery system reforms that ensure **continued coverage, access and cost containment** and improve the overall health status of the populations served.

ACA Key Concepts

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Medicaid Expansion

- The ACA expands coverage for adults (under age 65) 0-133% FPL who have not traditionally been eligible for Medicaid starting in January 2014.
- Massachusetts will receive additional federal funding to cover the expanded Medicaid population.
- States must provide at least “Benchmark coverage” for the new Medicaid eligibles. This means coverage must at least provide categories of services included in Essential Health Benefits.

ACA Key Concepts

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Basic Health Plan Option (BHP)

- The ACA provides states the option of establishing a BHP (Sec. 1331) starting in January 2014.
- Covers non-Medicaid eligible adults (under age 65) 134 – 200% FPL.
 - Certain legal immigrants who are not eligible for Medicaid will be covered (0-200% FPL).
- The state would receive 95% of the premium tax credits and cost-sharing reductions that would have been allotted if these individuals had purchased through the Exchange.
- Coverage must at least provide categories of services included in Essential Health Benefits.

ACA Key Concepts

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Qualified Health Plans (QHPs)

- Commercial insurance products available for purchase through the Exchange.
 - Premium tax credits and cost-sharing reductions available for eligible individuals and families.
 - Options for small employers and their employees.
- Exchange will certify qualifying commercial insurance plans.
 - Similar to how the Health Connector currently certifies Commonwealth Choice plans through the Seal of Approval process.

ACA Key Concepts

Advance Premium Tax Credits (APTC)

- For qualifying individuals with incomes up to 400% FPL who purchase through the Exchange.
- Amount (\$ value) of the premium tax credit varies by income, with individuals required to spend up to a certain percentage of their income on health insurance.

Cost-Sharing Reductions (CSRs)

- For qualifying individuals with incomes up to 250% FPL who purchase through the Exchange.
- Eligible for cost-sharing (*i.e.*, copays, deductibles, co-insurance) reductions to their health plans.
- Process will be seamless to the consumer.

ACA Key Concepts

Essential Health Benefits (EHBs)

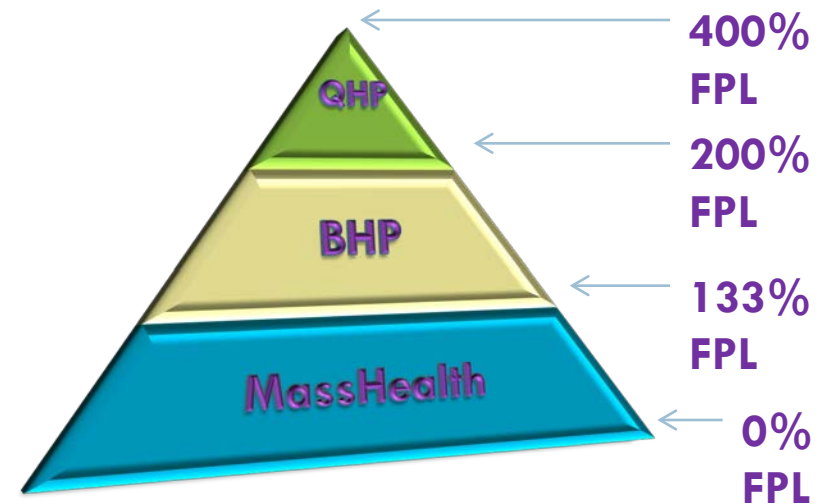
- The ACA requires that all plans offered through the Exchange provide Essential Health Benefits.
- The US Secretary of HHS has provided initial guidance to states on how to define EHBs.
- EHBs must include items and services within at least 10 categories.
- The Division of Insurance (DOI) will define EHB for Massachusetts.

Basic Health Plan (BHP)

The Basic Health Plan Option

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- This option permits states to implement a Basic Health Plan (BHP) to provide direct coverage for individuals between 133-200% FPL and certain legal immigrants between 0-200% FPL in lieu of these individuals purchasing a QHP through the Health Connector.
- The state purchases benefits on behalf of enrollees similar to MassHealth MCOs and Commonwealth Care.
- This offers states the opportunity to ensure continuity of coverage for low-income populations.
- After careful analysis of the financial impact and its effect on members, Massachusetts will take advantage of this option.



MassHealth Administration of BHP

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Basic Health Plan (BHP) will align with Medicaid program

- Positive impact on members.
- It will help to reduce coverage gaps, transition issues and disruption (ultimately minimize churn).

Continuity of Coverage

- Eliminates need to change health plans when people move between BHP and Medicaid Expansion (Benchmark).
- Eliminates coverage gap between programs.
- More families covered in one place.
 - Most children and adults under 200% will receive coverage through MassHealth.

Continuity of Care

- Eliminates need to change providers when people move between BHP and MassHealth Standard or MassHealth Benchmark.

Member Protections

- Aligns appeals, fair hearing rules and process.

Proposed ACA Coverage Model

No Changes Required by ACA, but...

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No ACA changes in coverage are required for these populations, however MassHealth is actively examining changes that could further enhance simplification of the program in the ACA era:

Standard/Family Assistance Children <300% FPL

MassHealth Parents < 133% FPL

MassHealth Pregnant Women < 185% FPL

MassHealth Limited

Children's Medical Security Plan

CommonHealth

MassHealth Disabled Adults & Elders

Dual Eligibles (Disabled and Elders)

Changes Required by ACA

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ACA changes affect these populations:

19-20 Year Olds 0-150% FPL

Pregnant Women 186-200% FPL

Breast and Cervical Cancer, HIV+

MassHealth Basic

MassHealth Essential

Commonwealth Care

Commonwealth Choice

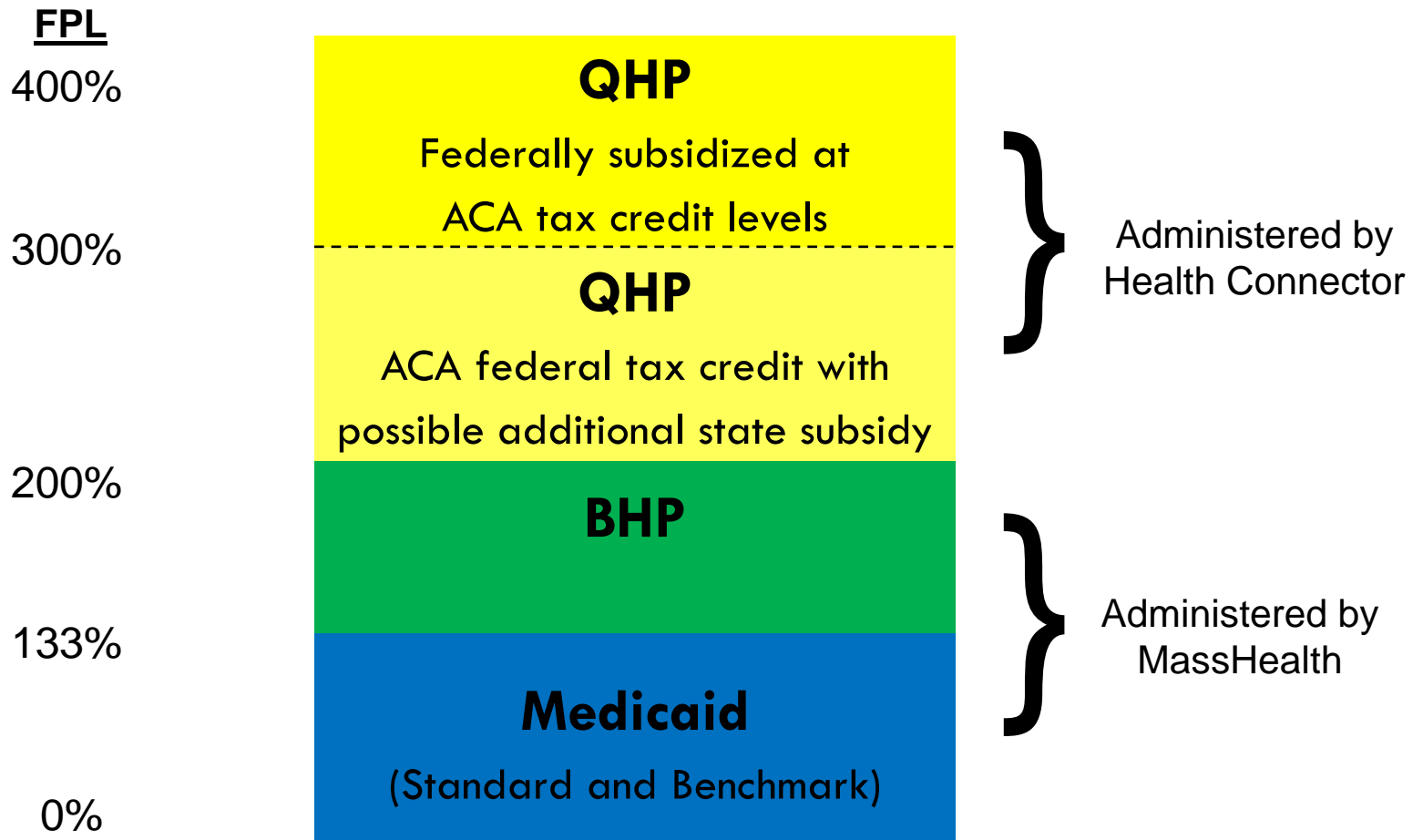
Medical Security Plan

Insurance Partnership

Health Safety Net

Subsidized Insurance Coverage

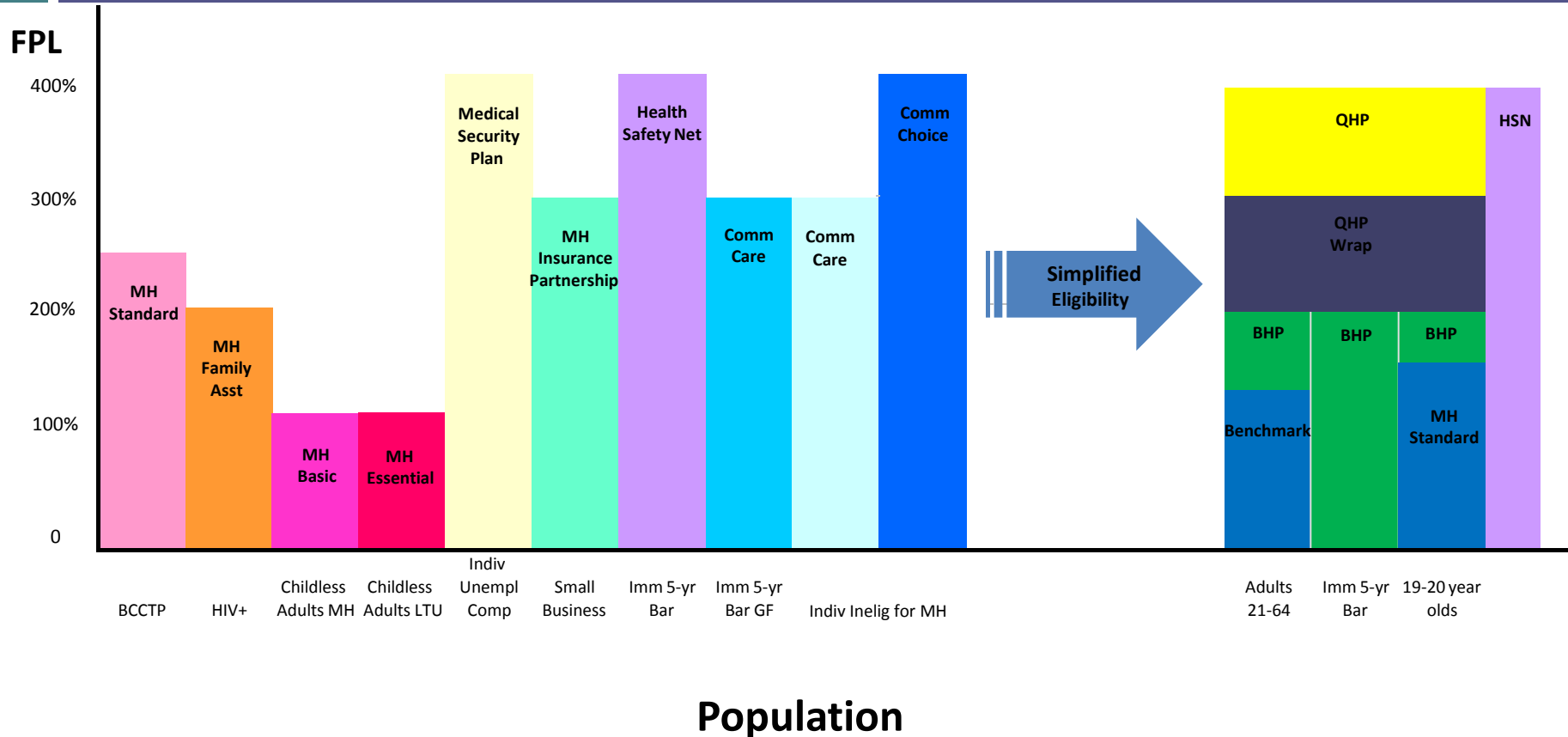
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Proposed ACA Coverage Model

Transition Populations

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Proposed ACA Coverage Model

Health Connector and the ACA

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The Health Connector's future focus will be on commercial small and non-group health insurance market

- We will build off lessons learned from both the Commonwealth Care and Commonwealth Choice programs
 - Leverage the “power of the Exchange” to better serve small businesses
 - Wellness Track & rebates
 - Federal tax credits for small businesses purchasing through the Exchange in 2014
 - Upgrade shopping with tools provided by the ACA
 - Real-time eligibility determination
 - Reinforce payment and delivery system reform
 - Leverage the Health Connector shelf to highlight or “fast-track” reform models

Some Upcoming Changes Related to Eligibility

ACA Key Concept:

Lawfully Present Immigrant

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Currently

- Non-citizens are categorized by MassHealth as Qualified Aliens, Aliens with Special Status (AWSS), and Non-Qualified Aliens for the purposes of eligibility.

Future

- “Lawfully present” will replace the state’s current definitions of immigration status for purposes of eligibility.
- ACA establishes a common definition for immigrant eligibility for MassHealth, BHP, and QHP.
- Must be Citizen or Lawfully Present immigrant to access new federal benefits through MassHealth, BHP or the Exchange.

ACA Key Concept:

Modified Adjusted Gross Income (MAGI)

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- MAGI is a methodology that **uses federal income tax rules and concepts** to count income and determine household composition and family size.
- **Uses federal income tax rules and concepts** of adjusted gross income (with some modifications), but is not simply a number off a tax return.
- Will replace current income counting methods for non-disabled and non-elderly populations in Medicaid and CHIP, and will be used, with slight differences, to determine tax credit and subsidy (cost-share) amounts through the Exchange.

Health Insurance Exchange (HIX) Integrated Eligibility System (IES) Overview

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**Phase I:
Jan. 2014**



Health
Insurance
Exchange
Portal

Integrated Portals

HIX will allow consumers to shop for health insurance, apply for financial assistance, and enroll in private and public plans in real-time.

**Phase II:
2015**



Other
EOHHS
Programs
Portal

HIX will allow consumers to apply for other public assistance programs like SNAP and TANF.

Integrated Eligibility System

IES will determine eligibility for the Medicaid and CHIP programs - either directly or by 'talking' to MA21 in real time. It will also determine eligibility for SHOP employers and employees, and more.

The IES will determine eligibility for these programs.

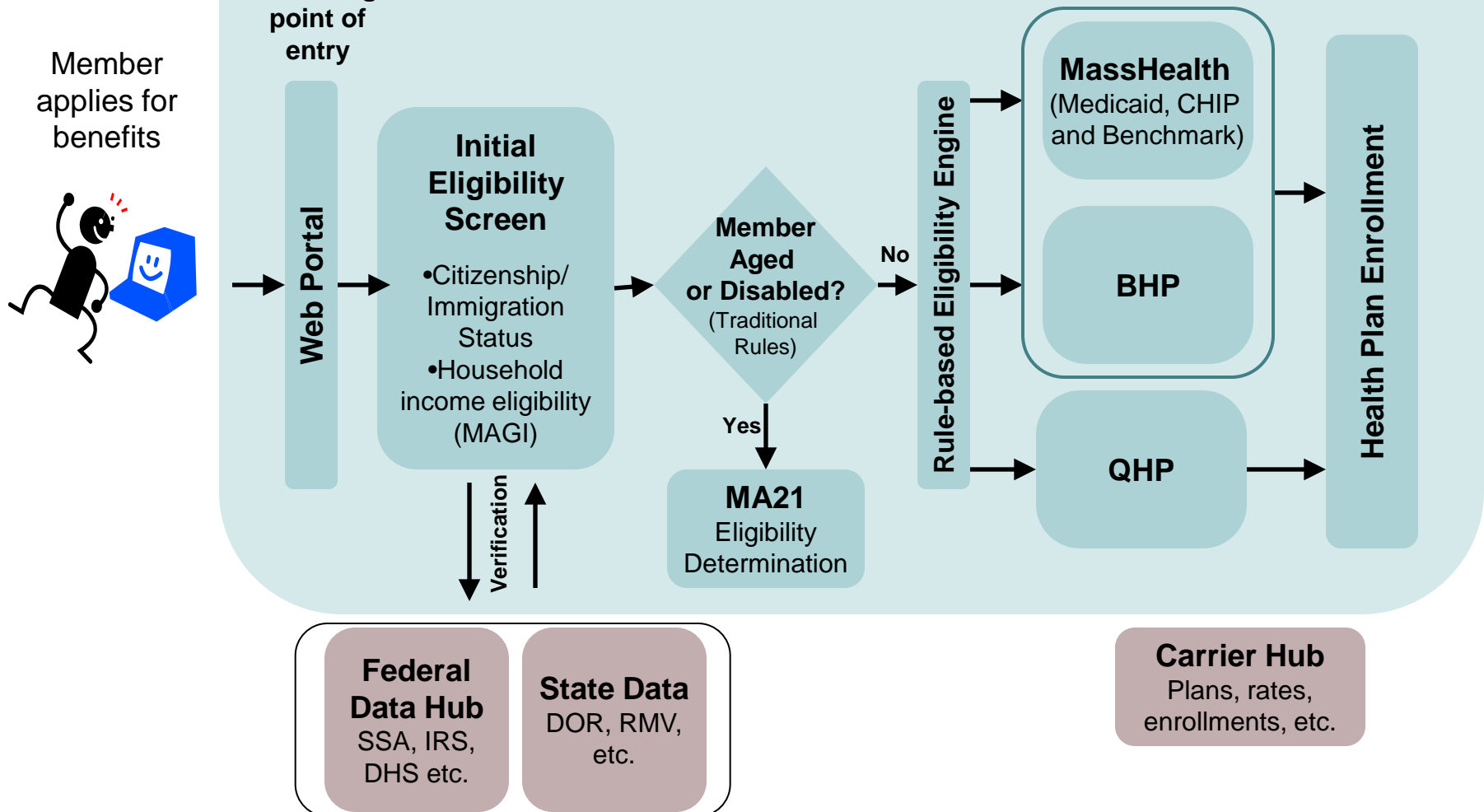
Result

A first-class, 21st century customer and partner experience that is consumer-focused, cost-effective, and re-usable by other states.

High-Level Eligibility Systems Process

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Health Insurance Exchange Integrated Eligibility System - HIX/IES



Massachusetts Implementation Activities for Subsidized Populations

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- MassHealth and the Health Connector, along with other state agencies are engaged in analysis and planning around changes to subsidized programs and unsubsidized health insurance options.
- MA has been awarded grants to assess and plan for policy, programs, business operations and IT systems changes. For full a listing of grants received by state government go to: www.mass.gov/nationalhealthreform
- MA must comply with ACA requirements for Exchanges to determine eligibility for and coordinate enrollment in Medicaid, CHIP and state health subsidy programs using:
 - A single, streamlined eligibility form for all programs
 - A “secure, electronic interface”
 - Multiple access points: internet, mail, phone, in person

Massachusetts is fully engaged in implementing national reform and we will keep you updated.