

Understanding MassHealth Cost Sharing Policy Updates

June 9, 2021

Webinar Objective



- Define MassHealth's Cost Sharing Policy
- Explain Upcoming Changes to Copay and Premiums
- Identify New Member Notices and Resources





- MassHealth's Cost Sharing Policy Changes
 - Full Implementation
 - Who's Not Subject to Copays and Premiums
 - Premium Hardship Waivers
- What Members Need to Know
- Resources



MASSHEALTH COST SHARING CHANGES



MassHealth Cost Sharing: Phase 1

Phase 1 (7/01/20)

Annual copay caps on drugs dispensed by the pharmacy and monthly premium amounts





\$250 per calendar year on drugs dispensed by pharmacies. New member exclusions will apply

Note, acute inpatient hospital copays have been eliminated as of 3/18/20.



MassHealth Cost Sharing Update

Phase 2 (7/1/21)

Member's total cost sharing will not exceed 5% of the members' monthly household income.

Copays

• Members will be assigned a **monthly** copay <u>cap not to exceed 2%</u> of family income for drugs dispensed by the pharmacy



- Members will be subject to this new copay policy starting July 1, 2021.
 However, for the duration of the COVID-19 Public Health Emergency, members will not be charged more than \$250 in total copays annually
- The updated copay policy will apply to members in MassHealth Standard, CarePlus, Family Assistance, and CommonHealth
- The updated copay policy will not apply to Children's Medical Security Plan (CMSP) members and any drugs that are charged through Health Safety Net (HSN) will continue to be subject to the \$250 annual pharmacy copay cap



MassHealth Cost Sharing Update

Phase 2 (7/1/21)

Member's total cost sharing will not exceed 5% of the members' monthly household income.



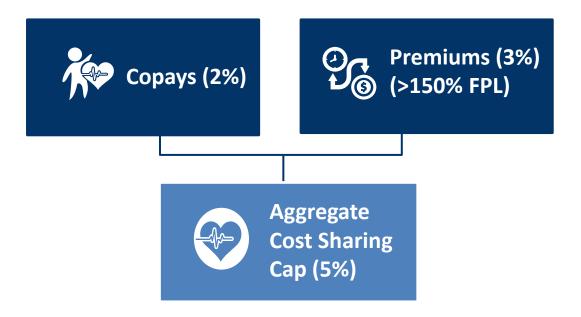
Premiums

- Members' premiums will <u>not exceed 3% of family income</u> on a **monthly** basis, if applicable
 - This limit does not apply to CommonHealth members
 - Members experiencing undue financial hardship can request a waiver or reduction of their premium

Calculating Cost Sharing



Copays and premiums comprise the aggregate cost sharing cap





Who is Not Subject to Cost Sharing

Populations excluded from Cost Sharing (copays)

MEMBERS

- Members with incomes at or below 50% FPL
- Members categorically eligible for MassHealth because they are receiving other public assistance such as Supplemental Security Income (SSI), Transitional Aid to Families with Dependent Children (TAFDC), or services through the Emergency Aid to the Elderly, Disabled and Children (EAEDC) Program
- Members under the age of 21 years old
- Pregnant women and those who are in their postpartum period
 - MassHealth defines the postpartum period as the time through the last day of the second calendar month after the end of the member's pregnancy. (For example, if the member gave birth on May 15th, the postpartum period ends July 31st)
- MassHealth Limited members

- MassHealth Senior Buy-In members or MassHealth Standard members for drugs covered under Medicare Parts A and B only, when provided by a Medicare-certified provider
- Members in a long-term care facility such as nursing facilities, chronic-disease or rehabilitation hospitals, or intermediate-care facilities for individuals with intellectual disabilities or who are admitted to a hospital from such a facility or hospital
- Members who are receiving hospice services
- Members who are former foster care individuals eligible for MassHealth Standard, until the age of 21 or 26 as specified by 130 CMR 505.002(H))
- Members who are American Indians or Alaska Natives currently receiving or have ever received services at the Indian Health Service, an Indian tribe, a tribal organization, or an urban Indian organization
- Members who have reached a cost sharing cap⁹



Services Excluded from Cost Sharing

Services excluded from Cost Sharing (copays)

SERVICES

Excluded services from copays include:

- Copays for FDA-approved medications for detoxification and maintenance treatment of substance use disorders (SUD)
- Preventive services rated Grade A & B by the US Preventive Services Task Force (USPSTF) or broader exclusion specified by MassHealth, and vaccines and their administration recommended by the Advisory Committee on Immunization Practices (ACIP)
- Emergency services
- Family Planning services and supplies
- Smoking cessation products and drugs
- Provider-preventable services



MASSHEALTH COPAYS



Key Terms

Copays

The dollar amount charged by a provider to a member for use of a covered service or item

Copay Cap

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



Key Terms

Copay Band

A copay range based on FPL and family size that is used to calculate an individual's monthly copay cap.

Copay Cap Start Dates

The date on which a member's copay cap becomes effective (calculated as the first day of the next month from date of determination) and copays start accumulating.





Individual monthly copay caps will be assigned by band and will not exceed 2% of family income:

- Members will be subject to this new copay policy starting July 1, 2021. However, for the duration of the COVID-19 Public Health Emergency, members will not be charged more than \$250 in total copays annually
- Copay caps are calculated using the lowest income in the individual's MAGI household
- Members who fall in the \$0 \$9.99 copay cap band will be exempt from copays
- Copays will be tracked on a monthly member-specific basis

Individual copay cap amounts will be banded as follows:

- A maximum out-of-pocket amount will be calculated for each member
- Members will be assigned a final individual copay cap (Column 2) based on the copay cap band range (Column 1) that their maximum out-of-pocket amount falls within



Copay Caps

Copay Cap Bands	Individual Copay Cap
\$0 – \$9.99	No Copays
\$10 - \$19.99	\$10
\$20 – \$29.99	\$20
\$30 – \$39.99	\$30
\$40 – \$49.99	\$40
\$50 — \$59.99	\$50
>\$60	\$60

Copay Cap Start Date

- Copay caps calculated on the first day of the month will be applied to the entire month regardless of changes in the member's circumstances during the month
- If a member has a change in circumstances (e.g., an income change) that requires the copay cap amount to change, the new copay cap would start on the first day of the following month, regardless of whether the copay cap increases or decreases
- New member's copay tracking will start on the first day of the month following the eligibility start date
 - A member is not responsible for copays during the first month of eligibility





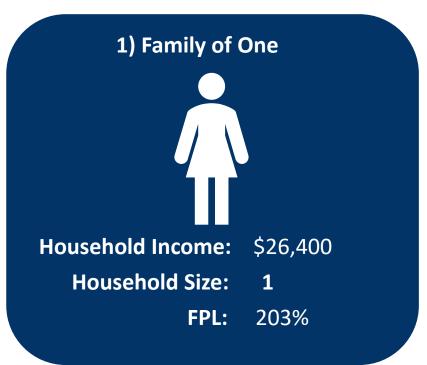
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Calculating Cost Sharing

Scenario

Jenny is disabled; Jenny's countable household income is \$26,400/year or \$2,200/month (203% FPL for a family of 1).

- 5% monthly aggregate cap =
 - ~\$110/ family (divide by number of family members)
 - \$110/family member (children are exempt, each adult would have a \$110 cap for the month)
- 2% monthly copays =
 - ~\$44 family(divide by number of family members)
 - ~\$44/ family member



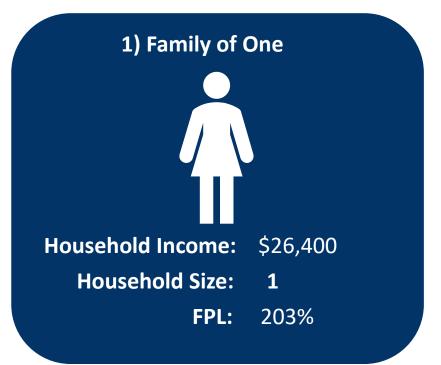


Calculating Cost Sharing

Scenario

Jenny is disabled; Jenny's countable household income is \$26,400/year or \$2,200/month (203% FPL for a family of 1).

- The maximum monthly out-of-pocket cost for each family member would be \$44.
- Using the copay cap bands on slide 17, each adult would then be subject to a \$40 monthly copay cap.





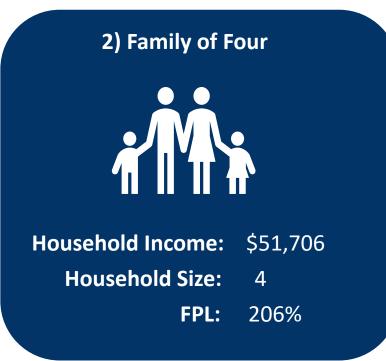
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Calculating Cost Sharing

Scenario

Matt and Mary are married and will be filing their taxes jointly. They will claim both of their children, Andrew & Alyssa. The family's household income is \$51,706/year or \$4,308/month (206% FPL for family of 4).

- 5% monthly aggregate cost sharing cap =
 - ~\$150/family (divide by number of family members)
 - ~\$37/family member (children are exempt, each adult would have a \$37 cost sharing aggregate cap for the month)
- 2% monthly copays =
 - ~\$60 family (divide by number of family members);
 - ~15\$/family member (children are exempt, each adult would have a \$15 copay cap for the month)



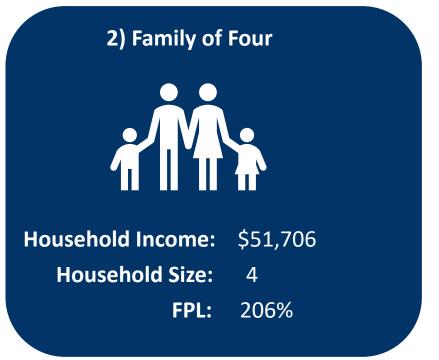


Calculating Cost Sharing

Scenario

Matt and Mary are married and will be filing their taxes jointly. They will claim both of their children, Andrew & Alyssa. The family's household income is \$51,706/year or \$4,308/month (206% FPL for family of 4).

- The maximum monthly out-of-pocket cost for each family member would be \$15 per person
- Using the copay cap bands on slide 17, each adult would then be subject to a \$10 monthly copay cap



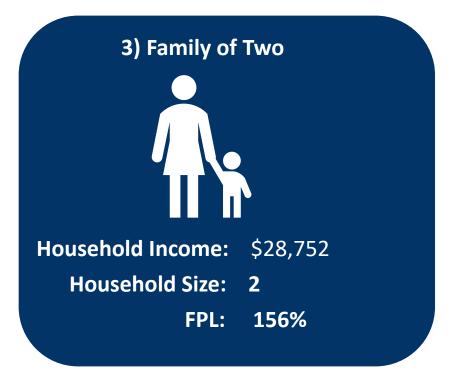


Calculating Cost Sharing

Scenario

Sophie, age 38, lives with her daughter Zia, age 6. Zia is disabled, and on MassHealth. The family's household income is \$28,752/year or \$2,396/month (165% FPL for family of 2). Sophie is enrolled in ConnectorCare.

- Family would not have a copay
- MassHealth copay and premium only apply to MassHealth members
- Children are exempt from copays







PREMIUM HARDSHIP WAIVER OVERVIEW



MassHealth Premium

<u>Premium</u>



A charge for payment to the MassHealth agency that may be assessed to members of MassHealth Standard, MassHealth CommonHealth, MassHealth Family Assistance, or the Children's Medical Security Plan (CMSP)

Copay and Premium Overage



Members can reach out to the MassHealth Customer Service Center (CSC) if they believe that they have been inappropriately assessed a copay or premium.





Premium Hardship Waiver Overview

Effective July 1, 2021: MassHealth will expand the circumstances in which members can apply for a waiver or reduction of premiums for those experiencing an undue financial hardship.

• Undue financial hardship means that the member has shown at the time the premium was or will be charged, or when the individual is seeking to reactivate benefits, that the member meets at least one of the following criteria

Premium Hardship Waiver Criteria

Members are potentially eligible for the premium hardship waiver if:

New July 1, 2021:

 A CommonHealth member who has accessed available third-party insurance or has no third-party insurance AND the total monthly premium charged for CommonHealth will cause extreme financial hardship for the family, such that the paying of premiums could cause difficulty in paying for housing, food, utilities, transportation, other essential expenses, or would otherwise materially interfere MassHealth's goal of providing affordable health insurance to a low-income person

Premium Hardship Waiver Overview MassHealth (cont.)

Effective July 1, 2021: MassHealth will expand the circumstances in which members can apply for a waiver or reduction of premiums for those experiencing an undue financial hardship.

- New July 1, 2021: Due to a state or federally declared disaster or public health emergency the member will suffer a financial hardship within the six months prior to the date of application for a waiver or is likely to suffer in the six months following such date
- *New July 1, 2021:* Any medical or dental expenses paid by the family group within the six months prior to the date of application for a waiver, regardless of the date of service
- Has medical and/or dental expenses, totaling more than 7.5% of the family group's gross annual income, that are not subject to payment by the Health Safety Net, and have not been paid by a third-party insurance, including MassHealth. In this case "medical and dental expenses" means:
 - Any outstanding medical or dental services debt that is currently owed by the family group

Premium Hardship Waiver Overview MassHealth (cont.)

Effective July 1, 2021: MassHealth will expand the circumstances in which members can apply for a waiver or reduction of premiums for those experiencing an undue financial hardship.

- Is homeless, owes more than 30 days in rent or mortgage payments, or has received a current eviction or foreclosure notice
- Has a current shut-off notice, or has been shut off, or has a current refusal to deliver essential utilities (gas, electric, oil, water, or telephone)
- Has experienced a significant, unavoidable increase in essential expenses within the last six months



WHAT MEMBERS NEED TO KNOW

Member Notices





Members will be notified of the changes to their MassHealth copay and premiums



Monthly Copay Cap Notice

- Notice lets members know of their monthly copay cap
- *Timeframe: Member's will receive these notices at the beginning of each month* when any change in circumstance results in a new copay obligation



Monthly Copay Cap Met Notice

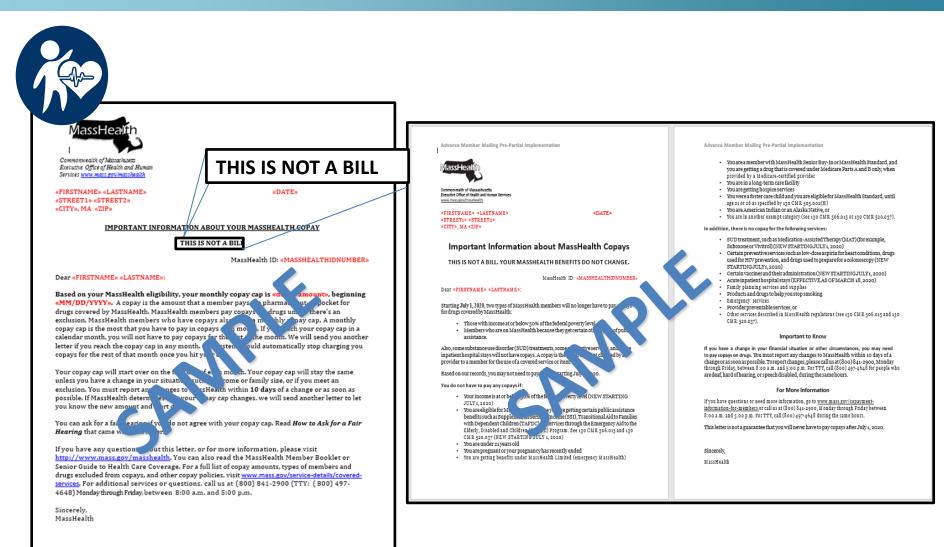
- *The notice informs* the member of when a copay cap has been met for the month
- *Timeframe:* Next day after copay cap is met in any month



Call MassHealth: MassHealth Self-Service Option



Sample Notice: Monthly Copay Cap



Sample Notice: Monthly Copay Cap Met



Monthly Copay Cap Met Notice

- Notice lets members know when their copay cap has been met for tracking period.
- *Timeframe:* Next day after copay cap is met in any month.



Member Resources



For questions regarding general copay policies, members should reference:



MassHealth Website: <u>www.mass.gov/masshealth</u>



Enrollment Guide



Member Booklet

For questions regarding individualized copay and eligibility information, members should reference:



MassHealth Customer Service: 1- 800- 841-2900; TTY: 1 -800- 497-4648 Self-Service IVR Option



MassHealth Enrollment Center



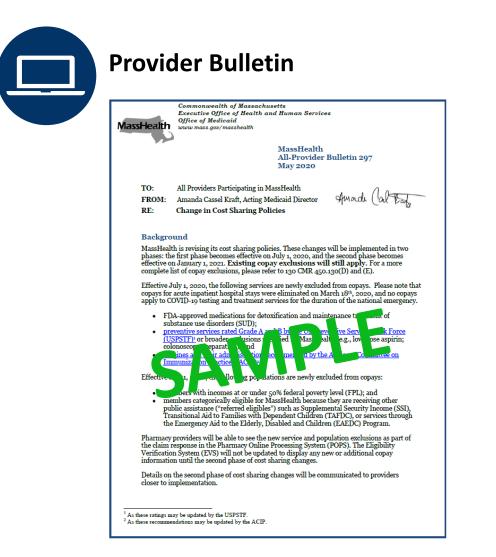
WHAT MASSHEALTH PROVIDERS SHOULD KNOW



Cost Sharing: EVS

Message Trigger Scenario	Message Structure
Member Copay Panel	
Always show on copay panel.	Copays apply only to drugs dispensed at pharmacies. All applicable copay amount(s) will be identified on the pharmacy provider's claim remittance. For a list of copay-exempt members and drugs, refer to 130 CMR 450.130.
Restrictive Eligibility Messages Panel	
Member has met copay cap for the tracking period.	Member has met the pharmacy copay cap for the month of [MM/CCYY].
Member is exempt from copays	Member is exempt from pharmacy copays for the month of [MM/CCYY].

All Provider Bulletin and Pharmacy Facts



Pharmacy Facts

Number 148, June 24, 2020



Pharmacy Copay Changes

MassHealth is revising its copay policies for certain services and members. Starting July 1, 2020, MassHealth members with an income at or below 50% of the federal poverty level (FPL) and MassHealth members categorically eligible for MassHealth because they are receiving other public assistance ("referred eligibles") such as Supplemental Security Income (SSI), Transitional Aid to Families with Dependent Children (TAFDC). or services through the Emergency Aid to the Elderly, Disabled and Children (EAEDC) Program, will no longer be required to pay copays on drugs covered by MassHealth. Additionally, st na July 1, 2020, MassHealth men to pa copays on



MassHealth (e.g., low-dose aspirin; colonoscopy preparation); and

vaccines and their administration recommended by the Advisory Committee on Immunization Practices (ACIP)².

MassHealth is updating regulation 130 CMR 450 accordingly. In addition, no copays apply to COVID-19 testing and treatment services for the duration of the national emergency.

Pharmacy providers will be able to see the new service and population exclusions as part of the claim response in the Pharmacy Online Processing System (POPS). The Eligibility Verification System (EVS) will not be updated to display any new or additional copay information as part of the July 1, 2020, implementation.

¹ As these ratings may be updated by the USPSTF. ¹ As these recommendations may be updated by the ACIP

Member Notifications of These Changes MassHealth notified rembers impacted by the population exclusions (those with incomes at or under 50% FPL and "referred eligibles") in May 2020. Please note that while copays for SUD treatment, preventive services, and ACIP recommended vaccines will be eliminated for all members injeated by the population exclusions.



Pharmacies are required by MassHealth regulations at 130 CMR 450.130(F) to post a notice about MassHealth copays in areas where copays are collected. The notice must

- be visible to the public and easily readable;
 specify the exclusions from the copay requirement listed in 130 CMR 450.130(D) and (€); and
- instruct members to inform providers if they believe they are excluded from the copay requirement.

For More Information

Please contact the MassHealth Pharmacy Technical Help Desk (available 24/7) at (666) 246-8503 to understand the on-file demographics (e.g., date of birth) for the MassHealth, Children's Medical Security Plan, or Health Safety Net member. However, please note that call center staff cannot change a member's demographic information. Instead, the MassHealth member must contact the MassHealth Customer Service Team (CST) at (800) 841-2900 for assistance (Hours: Monday – Friday, excluding holidays, 8:00 a.m. – 5:00 p.m.).

If you have questions or comments, or want to be removed from this fax distribution, please contact Josel Femandes at (617) 423-9842.

