



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

October 12, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

10/11/11 CMS published a proposed rule to consolidate and codify previous guidance regarding the Coverage Gap Discount Program mandated by the ACA. The proposed rule, "Medicare Program; Proposed Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs for Contract Year 2013 and Other Proposed Changes; Considering Changes to the Conditions of Participation for Long Term Care Facilities," also implements portions of §3301 and §6005 of the ACA.

Comments are due December 12, 2011.

Read the rule at: <http://www.gpo.gov/fdsys/pkg/FR-2011-10-11/pdf/2011-25844.pdf>

10/6/11 CCIIO released a question and answer document about the Consumer Operated and Oriented Plan (CO-OP) program. The program provides loans to private entities to foster the creation of consumer-governed, private, nonprofit health insurance issuers to offer qualified, affordable health plans in the health insurance exchanges. Established under §1322 of the ACA, the goal of CO-OP program is to create a new CO-OP in every state in order to expand the number of exchange health plans with a focus on integrated care and plan accountability.

Read the guidance establishing the CO-OP program at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-07-20/pdf/2011-18342.pdf>

Read the CO-OP Q&A document at:

http://cciio.cms.gov/resources/fundingopportunities/coop_foa_faq.html#100611

In July CCIIO announced \$3.8 billion in funding loans for the CO-OP program. The first round of applications is due 10/17/11 and subsequently on a quarterly basis until December of 2012. CCIIO expects to fund one CO-OP in each state and the District of Columbia, making 51 awards. To be eligible for a loan, an applicant must be a private nonprofit

member organization and must intend to become a CO-OP. Learn more about the CO-OP funding opportunity at: [CO-OP Funding](#)

Prior guidance can be viewed at www.healthcare.gov

News

10/7/11 HHS launched a **new web tool required under §1003 of the ACA that will allow consumers to view an insurer's rate increase justification**, if the company has proposed an increase of 10% or more, and in 2012 view information on their insurer's medical loss ratio (MLR).

The MLR rules under §10101 of the ACA require health insurers to spend 80% to 85% of consumers' premiums on direct care for patients and efforts to improve care quality. If insurers fall short of the standards in 2011, they will have to issue rebates for that amount in 2012. The rule also requires that insurers send consumers in such plans a notice that they are in a plan that provides less than full coverage. The new rules went into effect in January of this year.

To use the new tool, learn more and check information about rate review in each state visit:

<http://companyprofiles.healthcare.gov/>

Read more about rate review under the ACA in HHS Secretary Sebelius' blog at:

<http://www.healthcare.gov/blog/2011/10/ratereview10072011.html>

The final rate review and disclosure rule can be found at:

http://cciio.cms.gov/resources/files/rate_increase_final_rule.pdf

10/6/11 The Institute of Medicine (IOM) released a report, Essential Health Benefits, Balancing Coverage and Cost, which suggested the criteria and methodology HHS should use to determine the package of essential health benefits (EHB) that must be offered to individuals and small groups in state-based purchasing exchanges and the existing market beginning in 2014. In November 2010 the IOM was tasked by HHS with making recommendations for establishing and updating the EHB requirement in the ACA, §1302(b).

The report recommends that the ACA's guaranteed benefits reflect "the scope and design of packages offered by small employers today" rather than laying out an exhaustive list of benefits. The IOM suggests that states should have flexibility in making EHB determinations, that HHS should establish benefits that are medically necessary, and that affordability should be considered as a major objective in the process of determining coverage elements. The IOM report highlights that EHBs will change over time, depending on factors such as advances in science and delivery system reforms, and proposes the establishment of a "National Benefits Advisory Council" to help HHS evaluate annually whether to update the EHB package. The report urges HHS Secretary Sebelius to develop the EHB package by May 1, 2012 based on the 10 categories specified in the ACA. As part of their process, the IOM heard public comment earlier this year and held two workshops on various aspects of the health benefits packages being considered.

Read the IOM report brief at: [IOM Report Brief](#)

Read the IOM press release at: [IOM Press Release](#)

Read the IOM EHB criteria at: [IOM EHB Criteria](#)

Read more about the ACA's EHB requirement at:

<http://webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=23983>

or

<http://www.healthcare.gov/law/resources/authorities/title/i-quality-affordable-health-care.pdf>

The IOM played a **similar advisory role in determining preventive health care services for women** in July, followed by HHS rules in August.

For more information on the HHS guidelines for expanding women's preventive services, please visit: <http://www.healthcare.gov/news/factsheets/womensprevention08012011a.html>

Read the IOM's report, "Clinical Preventive Services for Women: Closing the Gaps" at: [IOM Report](#)

10/6/11 CMS announced that as a result of the ACA, nearly 1.8 million people with **Medicare Part D who reached the gap in coverage know as the "donut hole"** have received an automatic 50% discount on their covered brand name prescription drugs. CMS data shows 1,754,630 Medicare beneficiaries have benefitted from the 50% discount in the first eight months of 2011. In Massachusetts, as of August 31 2011, 30,761 seniors had received an average discount amount per beneficiary of \$523.20.

For more information, visit: <http://www.hhs.gov/news/press/2011pres/10/20111006b.html>

Upcoming Events

Next Quarterly Stakeholder Meeting

Patient Protection and Affordable Care Act Implementation meeting

Monday October 17, 2011, 11:00 A.M. - 12:00 P.M.

1 Ashburton Place, 21st floor, Boston

Bookmark the **Massachusetts National Health Care Reform website**

at: www.mass.gov/nationalhealthreform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.