



## AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

January 12, 2015

### Quick Links

[MA-ACA Website](#)



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.

### Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

### Grant Activity

For information about ACA grants awarded to and grant proposals submitted by the Commonwealth, visit the Grants page of the **Massachusetts National Health Care Reform website** at: [www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html](http://www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/national-health-care-reform-plan/grants-and-demonstrations.html)

## Guidance

### **1/2/15 HHS/CMS issued a notice under the Paperwork Reduction Act of 1995 (PRA) seeking comments on a new information collection activity related to Risk Corridors Transitional Policy.**

ACA §1342 provides for the establishment of a temporary risk corridors program that will apply to qualified health plans in the individual and small group markets for the first three years of Exchange operation. Under a [final rule](#) published in the Federal Register on March 11, 2014, each issuer conducting business in the individual and small group markets in states that adopted the transitional policy is required to submit enrollment data, including enrollment in transitional policies. Transitional policies are individual or small group health insurance coverage in states that adopted the transitional policy announced by CMS in a [letter](#) dated November 14, 2013.

Beginning October 1, 2013, qualified individuals and qualified employees could purchase private health insurance coverage through Exchanges (Marketplaces) for January 1, 2014 effective dates. The ACA established Affordable Insurance Exchanges (§1311(b)) to provide individuals and small business employees with access to health insurance coverage beginning in 2014, where low and moderate income Americans may be eligible for premium tax credits (§1401, §1411) to make purchasing a health plan more affordable by reducing out-of-pocket premium costs. §1311(b)(1)(B) also requires that the Small Business Health Options Program (SHOP) assist qualified small employers in facilitating the enrollment of their employees in qualified health programs (QHPs) offered in the small group market. QHPs are health plans that have been certified by an Exchange, provide essential health benefits ("EHB", §1301) and follow established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts).

The ACA established three risk-mitigation programs, which HHS began operationalizing in 2014, to stabilize premiums in the individual insurance market and minimize the effects of adverse selection that may occur as insurance reforms and the Exchanges launch in 2014. These programs include transitional reinsurance (§1341), temporary risk corridors programs (§1342), and a permanent risk adjustment program (§1343) to provide payments to health insurance issuers that cover higher-risk populations and to more evenly spread the financial risk borne by issuers. The transitional reinsurance program and the temporary risk corridors program, which begin in 2014, are designed to provide issuers with greater payment stability as insurance market reforms are implemented. The reinsurance program will reduce the uncertainty of insurance risk in the individual market by partially offsetting risk of high-cost enrollees. The risk corridors program, which is a federally administered program, will protect against uncertainty in rates for qualified health plans by limiting the extent of issuer losses and gains.

The data collection will be used to amend the risk corridors program provisions to mitigate any unexpected losses for issuers of plans subject to risk corridors that are attributable to the effects of this transitional policy. Specifically, HHS will use the data to calculate the risk corridors adjustment percentage, if any, in transitional states.

Comments are due February 4, 2015.

Read the notice (which was published in the Federal Register on January 5, 2015) at: [www.gpo.gov/fdsys/pkg/FR-2015-01-05/pdf/2014-30800.pdf](http://www.gpo.gov/fdsys/pkg/FR-2015-01-05/pdf/2014-30800.pdf)

Prior guidance can be found at: [www.hhs.gov/healthcare/index.html](http://www.hhs.gov/healthcare/index.html)

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Bookmark the **Massachusetts National Health Care Reform website** at: [National Health Care Reform](http://NationalHealthCareReform) to read updates on ACA implementation in Massachusetts.

Remember to check the Mass.Gov website at: [Dual Eligibles](http://DualEligibles) for information on the "**Integrating Medicare and Medicaid for Dual Eligible Individuals**" initiative.

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