

From Free Care to the Safety Net Care Pool

Vicky Pulos
Mass. Law Reform Inst.
vpulos@mlri.org
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Who used the pool in 2006?

- 452,000 individuals
- \$663.4 million billed to pool
- Most services billed to pool for individuals who were
 - Uninsured (75%)
 - Adults age 19-64 (85%)
 - Single (58%)
 - Low income (79% under 200% of poverty)

2006 Health Reform

- Individual mandate –all adults required to have insurance if it's affordable
- Affordability defined June 2007
- Commonwealth Care-new subsidized insurance program for uninsured adults up to 300% of poverty (\$30,636 for individual)
 - Premium charges over 150% of poverty
 - Copays over 100% of poverty

Pool conversions

- **Pool to ComCare**
 - Oct-Dec, 2006, about 50,000 converted (no premium)
 - After Jan. 2007, about 70,000 notified (premium) but few enrolled
 - From July –Sept 2007 conversions for those up to 150% of poverty (no premium)

Pool changes in Health Reform law

- Name changed to Safety Net Pool
- Provider payments changed to a claims based system
- Administration still with Div. of Health Care Finance & Policy (DHCFP)
- Moratorium on changing eligible services until Oct. 1, 2007

Free Rider Surcharge

- Employer with 11 or more employees
- Does not offer employees chance to buy insurance with pre-tax payroll withholding (Section 125 Plan)
- Subject to fee if employees or their dependents get Pool services costing over \$50,000 (& other conditions met)
- Fee of 20-100% of Pool costs

Safety Net Care Pool

- Replaces Uncompensated Care Pool on Oct. 1, 2007
- Division of Health Care Finance & Policy to define
 - Eligibility criteria
 - Scope of services
 - Medical hardship

Proposed SNP regulations

- Rules have only been *proposed*; Final rules may differ from proposal
- Public hearing on August 22, 2007
- For more information
 - www.mass.gov/dhcfp
- www.hcfama.org (Health Care for All)
- www.masslegalservices.org (MLRI)

Some important features unchanged

- Eligibility is still based on whether you live in Massachusetts not your immigration status
- Full eligibility is still up to 200% of poverty
- Partial eligibility is still up to 400% of poverty
- The scope of services is still broad

No longer eligible under the proposed rules

- People eligible for MassHealth
 - No wrap except for MH Limited & Premium Assistance
 - No retro
 - No gap coverage
- People eligible for ComCare
 - Wrap only for dental
 - No retro
 - Gap only from enrollment to plan start date

No longer eligible

- People with access to “affordable” employer sponsored insurance
 - Affordable as defined by Connector
 - Employee share of premium \$35 or less for individual from 150% to 200% of poverty
 - No retro
 - Operational questions
- People terminated from MH or ComCare for nonpayment of premiums

Proposed cost sharing obligations for using the Pool

- Proposed copays & deductibles for uninsured
- Rules vary depending on income & site of care
- No cost sharing for those under 100% of poverty (\$10,212 for individual)
- No cost sharing for children

Co-payments

- Copay depends on site of care
 - Only drug copay at free standing CHC & hospital with no CHC within 5 miles
 - Copays at other hospitals & hospital-licensed CHCs
- Copay if income over 100% of poverty
 - Outpatient/CHC-\$5
 - Inpatient-\$50
 - ER (if no admission)-\$50
 - Pharmacy -\$1/\$3 generic/brand

Deductibles

- Income 150%-200% of poverty
- \$35 per month deductible, accrued monthly, capped at \$420 ($\$35 * 12 \text{ mo.}$)
- No deductible at freestanding CHC & hospital with no CHC in 5 miles
- Deductible at other hospitals & hospital-licensed CHC
- Burden of tracking when deductible met

Pool payment of cost sharing

- For underinsured Pool eligible residents
 - Pool no longer covers copays except in Medicare
 - Pool will cover deductibles for privately insured & for Medicare
- Pool will pay for services not covered by private insurance, Medicare, MH Limited, CMSP, Healthy Start & for dental in ComCare

Scope of Services

- **Medically necessary services**
 - Critical access services at hospitals
 - CHC services
 - New rules defining/limiting services beyond medical necessity
 - Use of MH drug list & prior authorization process (new)

Improvements to Medical Hardship

- Rarely used in past
- Eliminates asset test
- Pool coverage for hospital & CHC services after medical expenses from all sources exceed percent of income
- Percent of income on sliding scale
 - From 10% of income at 0-200% of poverty to 40% of income over 600% of poverty

Issues of concern

Eligibility exclusions

- No safety net when MassHealth/ComCare or individuals make mistakes
 - No gap coverage
 - No retro coverage
- No safety net when individual circumstances make “affordable” premiums unaffordable
 - MH & ComCare terminated for premium nonpayment
 - Can't afford employer offered insurance

Issues of concern

- No safety net when individuals can't afford Safety Net Care
 - Not fair to impose same costs as ComCare on individuals who are not eligible to get ComCare
 - No hardship protections
 - Higher costs for urban dwellers using hospital-licensed health centers

Public hearing on proposed rules

- When: August 22, 2007
 - 9:30 am. Eligibility rules
 - 1 pm Payment rules
- Where: One Ashburton Place, 21st Floor
- The proposed rules and the notice of the public hearing are posted at
- www.mass.gov/dhcfp

Can't attend the public hearing?

- Written comments can be mailed to:
Division of Health Care Finance & Policy
Two Boylston Street
Boston, MA 02116