

Unpacking the MassHealth Reform Package: How It Hurts the Working Poor and other MassHealth Beneficiaries

On June 20, 2017 the Baker Administration asked the FY 2018 conference committee to add dozens of outside sections to the budget as part of a MassHealth Reform Package. The package doesn't just address the employer assessment; it proposes new and harmful cuts in MassHealth eligibility affecting primarily low income parents as well as childless adults. The proposal also includes benefit cuts that could affect everyone on MassHealth including children, the elderly and people with disabilities.

Many parents and other non-disabled adults with access to employer sponsored insurance (ESI) will no longer be eligible for MassHealth and are likely to become uninsured

- The proposal precludes non-disabled adults with access to ESI from being eligible for MassHealth if the employee share of the ESI premium is less than 9.69% of family income (2017). They will be disqualified from all MassHealth coverage, including Premium Assistance.
- Under the proposal, this will affect low income parents as well as childless adults with income under the poverty level (\$16,240 for a family of two). The Administration has not reported how many will lose MassHealth, but most are likely to be parents.
- At MassHealth income levels (133% of poverty currently, and 100% of poverty proposed), no premium contribution is considered affordable, much less premiums of 9.69% of income.
- In addition, the private ESI coverage almost always includes substantial deductibles and co-pays. MassHealth members have no deductibles, and minimal copays.
- As far as we know, no other state Medicaid program has proposed a restriction of this kind for the core Medicaid population of low income working parents.
- There is a better way to promote ESI and support work: MassHealth Premium Assistance. Premium Assistance enables the working poor to afford ESI and still have MassHealth protections, and saves the state money by making MassHealth secondary to the private coverage.

100,000 low income parents and 40,000 childless adults will lose MassHealth if the upper income limit is reduced from 133% to 100% of the poverty level

- The Baker Administration describes this as a transition from MassHealth to ConnectorCare, but not all of those losing MassHealth will qualify for ConnectorCare because of its rules about tax filing status and what it considers other available coverage (like being enrolled in the VA health system).
- For those who do transition to ConnectorCare, its coverage is less comprehensive and more costly than MassHealth. ConnectorCare has no dental benefits or long term services and supports, and it has much higher copays than MassHealth.
- Currently, ConnectorCare offers at least one option with no premium contribution for those under 133% of poverty, but no state law or regulation prevents it from assessing a premium in future.
- At 100% of poverty, a parent of one child working full time at a minimum wage job will no longer qualify for MassHealth. In ConnectorCare, she loses out on work incentive programs like Transitional Medicaid and work supports like Premium Assistance if she gets a job with higher pay or access to ESI.
- Given the current efforts to repeal and replace the ACA, no one can know what ConnectorCare will look like --or whether it will even exist--tomorrow.
- No savings are expected in FY 2018 from this change; it is premature to make this change now.

EOHHS will have broad authority to terminate many current MassHealth benefits affecting the elderly and people with disabilities

- Since 2006, the legislature has required EOHHS to obtain legislative approval before it eliminates “optional” MassHealth benefits like prescription drugs, dental, vision, and home and community based supports.
- Under the proposal, EOHHS will be free to restructure prescription drug benefits and will have additional temporary authority to restructure or terminate any and all other optional benefits.
- Reducing benefits will harm not just non-disabled adults but all MassHealth members including children, people with disabilities, and the elderly. More safeguards are needed to protect access to care.

230,000 low income parents will lose MassHealth Standard and receive the less-generous CarePlus coverage intended for childless adults

- The ACA allowed states that expanded Medicaid to childless adults to offer fewer benefits than the benefits in traditional Medicaid provided to pregnant women, children, the elderly, people with disabilities and low income parents.
- In the CarePlus program for childless adults, parents will lose access to important benefits unless they can establish a medical condition that entitles them to regain MassHealth Standard.
- Parents will also be at risk of more benefit cuts in CarePlus than in MassHealth Standard. Under proposals to repeal and reform the ACA, state “alternative benefit programs” for childless adults may not even have to cover essential benefits like mental health and substance abuse services in the future.

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