

PATHWAYS TO PUBLIC HEALTH INSURANCE COVERAGE FOR MASSACHUSETTS RESIDENTS



NOVEMBER 2007

PROJECT TEAM:

Aniko Laszlo
Heather Strother
Michael Tutty
Eric Masters
Robert Seifert
Jay Himmelstein

ACKNOWLEDGEMENTS

The project team would like to thank the following people for their gracious assistance, without which this project would not have been possible:

<i>Center for Health Policy and Research</i>	<i>Health Care for All</i>
Michelle Nowers	Jennifer Chow
Judy Savageau	
<i>University of Massachusetts Medical School</i>	<i>Office of Medicaid</i>
Jean Sullivan	Stephanie Anthony
	Robin Callahan
<i>Community Partners, Inc.</i>	Annette Shea
Michael DeChiara	Ben Walker
Meg Kroepelin	
	<i>Commonwealth Health Insurance Connector</i>
	Melissa Boudreault

INTRODUCTION

With the recent passage of health care reform legislation in Massachusetts (Chapter 58 of the Acts of 2006), eligibility standards for some public health insurance programs have changed and new programs, such as the Commonwealth Care Health Insurance Program, the Health Safety Net, and Commonwealth Choice have been created. This update of *Pathways to Public Health Insurance Coverage for Massachusetts Residents* reflects the changes to public health insurance coverage through October 1, 2007. We hope you will find the following information useful, and that a better understanding of these programs will lead to improved access to health care services for residents of the Commonwealth.

SETTING THE STAGE FOR PATHWAYS TO COVERAGE

Most non-elderly individuals, in Massachusetts and the rest of the country, secure health insurance coverage through their employers. Compared to most other states, Massachusetts also offers relatively broad opportunities to secure coverage through public-sector programs or assistance in paying for employer-sponsored health insurance. The new health care reform legislation seeks to achieve nearly universal health care coverage to state residents. The legislation combines the concept of individual and employer responsibility for coverage with government subsidies to assist with affordability. The legislation also relies on the state's major public health insurance program, Medicaid, to cover many individuals who did not have health insurance coverage before. Most employers are required either to provide coverage for their employees or contribute towards the financial burden of treating the uninsured. This publication highlights the coverage options and the health care resources available to the uninsured, underinsured, elderly, and residents with disabilities in Massachusetts.

HEALTH CARE REFORM LEGISLATION 2006

The health care reform legislation mandates adults in the state to obtain health insurance by July 1, 2007. Individuals who cannot show health insurance coverage by December 31, 2007, will lose their personal income tax exemption when filing their 2007 income taxes. In addition, employers with 11 or more employees are required either to provide health insurance coverage or pay a contribution of up to \$295 per employee annually to the state. Employers must allow workers to pay their share of health insurance coverage with pre-tax dollars.

The major component of the legislation is the creation of the Commonwealth Care Health Insurance Program, which subsidizes the purchase of affordable private health insurance products for low-income individuals. (See details under “Major Public Insurance Programs.”) The legislation also expanded eligibility for children up to 300% of the federal poverty level (FPL) and allocated funds for comprehensive community-based outreach programs to reach people who are eligible for Medicaid but not yet enrolled. Enrollment caps on existing Medicaid programs for adults were also raised.

The legislation created an independent authority — the Commonwealth Health Insurance Connector (The Connector) — to bring together buyers (individuals and small businesses) and sellers (health plans) of affordable insurance products. The Connector Board approves all plans — which offer a range of coverage, premium and co-payment options — available through the Connector. The Connector administers the Commonwealth Care program designed for low-income individuals earning at or below 300% FPL. The Connector also administers private, employer-subsidized insurance plans — like Commonwealth Choice- designed for individuals with income above 300% FPL.

On October 1, 2007, the Uncompensated Care Pool (UCP) — which reimbursed hospitals and community health centers for care delivered to uninsured and underinsured individuals — was converted to the Health Safety Net Trust Fund (HSN). The HSN serves those individuals who are not eligible for health insurance through other mechanisms. A new fee schedule — released in September 2007 — standardized provider reimbursements and replaced the previous charge-based system.

SECTION 1:

PATHWAYS TO COVERAGE FLOWCHARTS

MAJOR PUBLIC INSURANCE PROGRAMS

Medicaid is the nation's major public health insurance program for certain qualified low-income Americans and is jointly funded by each state and the federal government. The Massachusetts Medicaid program, called **MassHealth** (a name used for the state's Medicaid program, the State Children's Health Insurance Program, and other jointly-funded state health programs), provides comprehensive health insurance — or assistance in paying for private health insurance — to approximately one million Massachusetts residents including children, adults, families, seniors, and people with disabilities.

Medicare is a federal health insurance program that provides benefits to individuals who have contributed to the program through payroll taxes for a sufficient number of years and have reached the age of 65, or have a disabling condition which meets federal criteria. This program is not a needs-based program, but a federally-administered social insurance benefit, so individuals qualify without regard to income, assets, or pre-existing medical conditions. **Medicare Part D** is a new prescription drug benefit, available to all Medicare beneficiaries since January 1, 2006. Participation is voluntary and coverage is provided by private plans. There is a 1% per month cumulative penalty for late enrollment into the program. Beneficiaries choose a plan according to their medication needs and financial situation.

Commonwealth Care Health Insurance Program (Commonwealth Care) is a new program created by the health care reform bill. Commonwealth Care provides state-funded subsidies to low-income individuals to assist with the purchase of affordable private health insurance from Commonwealth Care health plans. This program is for uninsured adults earning at or below 300% of the Federal Poverty Level (FPL) who do not otherwise qualify for MassHealth or Medicare, and do not have access to employer-sponsored coverage or other subsidized government insurance programs. Plans offered through Commonwealth Care do not have deductibles and are offered by the same managed care organizations that serve the MassHealth managed care eligible populations.

Children's Medical Security Program (CMSP): All children under 19 years of age who do not qualify for MassHealth (except MassHealth Limited) are eligible for health insurance coverage through the CMSP. The program provides primary and preventive medical, dental, and mental health coverage.

Health Safety Net Trust Fund (HSN): The HSN, which replaced the Uncompensated Care Pool (UCP) on October 1, 2007, pays acute hospitals and community health centers for services delivered to eligible individuals. The HSN adopted the MassHealth Standard benefit package provided at acute care hospitals and community health centers. Those who are eligible for HSN services include a) Massachusetts residents with household income less than 200% FPL who are otherwise ineligible for MassHealth or Commonwealth Care, and who do not have access to affordable employer sponsored insurance; b) individuals with household income below 200% FPL for whom MassHealth Standards services are not covered by primary insurance; and c) those with income between 201-400% of FPL after meeting a deductible equal to 40% of the income in excess of 200% FPL. The HSN includes patient co-pays consistent with Commonwealth Care; but there is no cost sharing for children under 18 years of age or for services provided at community health centers to individuals with income level below 200% FPL. Acute care hospitals and community health centers will receive reimbursements on a sliding scale for unpaid medical expenses for services provided to individuals with significant medical debt.

We have made this publication as accurate as possible as of October 1, 2007. The charts are meant to be a guide and educational tool; they are not meant as a comprehensive review of the eligibility determination process. To determine actual eligibility for any of these programs, we strongly encourage any potentially eligible individual to apply for these programs by calling MassHealth's customer service number 1-800-841-2900 or visiting its website www.mass.gov/masshealth. Information about the Connector and its programs is available at www.mahealthconnector.org. Please visit our website as well www.pathwaystocoverage.org for regular updates to this information, and for additional resources.

INSTRUCTIONS

MassHealth, Medicare, and other programs like the new Commonwealth Care Health Insurance Program offer coverage of varying scope to people based on their age, family income, employment, and disability status. The following flowcharts present the eligibility pathways into health care and prescription drug coverage programs in Massachusetts. The charts are categorized according to different population groups:

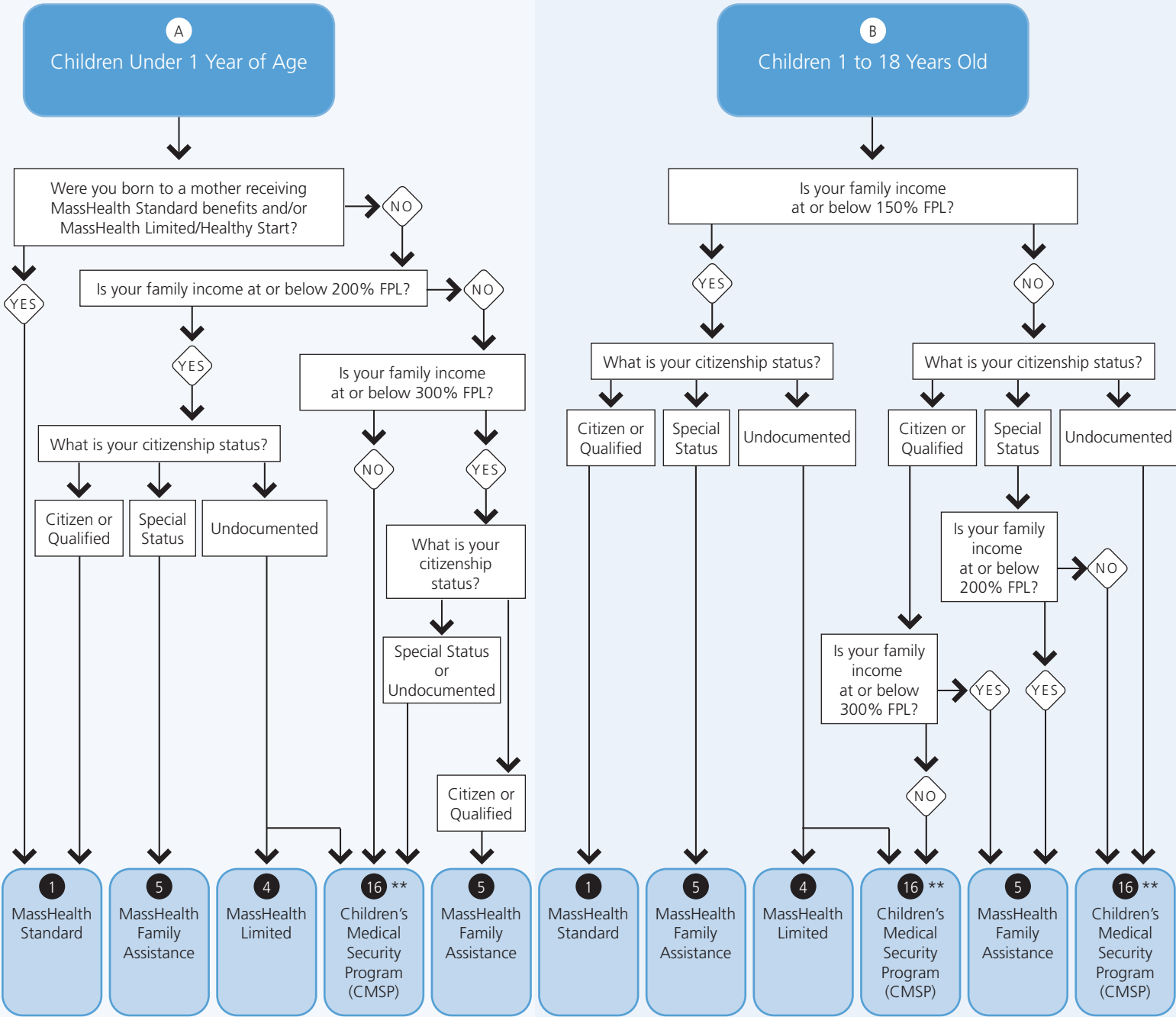
- children under 19
- parents or caretakers of children under 19
- pregnant women of any age
- individuals with disabilities of any age
- working and non-working adults without dependent children
- individuals age 65 and over
- individuals seeking prescription drug coverage

To find out the program(s) for which a person may qualify, begin at the top of the chart for the description that fits the individual's situation, and proceed down by answering the series of “yes” or “no” questions. Please note that it may be necessary to follow more than one path, as a person may simultaneously fall into more than one category. For example, a person who is both pregnant and disabled would have to look at both sections of the chart to determine the coverage which provides the most comprehensive benefits. The flowcharts are designed so that the populations at the top of the flowcharts progress from those eligible to receive the most comprehensive coverage to those eligible to receive the least comprehensive coverage. Therefore, it is important to choose the description that affords an individual the most comprehensive coverage.

Once you reach a particular program at the bottom of the flowchart, please see the explanations provided after the flowcharts for information on the program and contact information for the appropriate agency or organization. Definitions of terms used in the flowcharts start on page 14. Phone numbers have been included, where available. Also, a Federal Poverty Level chart is attached to assist in determining financial eligibility for MassHealth and Commonwealth Care Health Insurance programs.

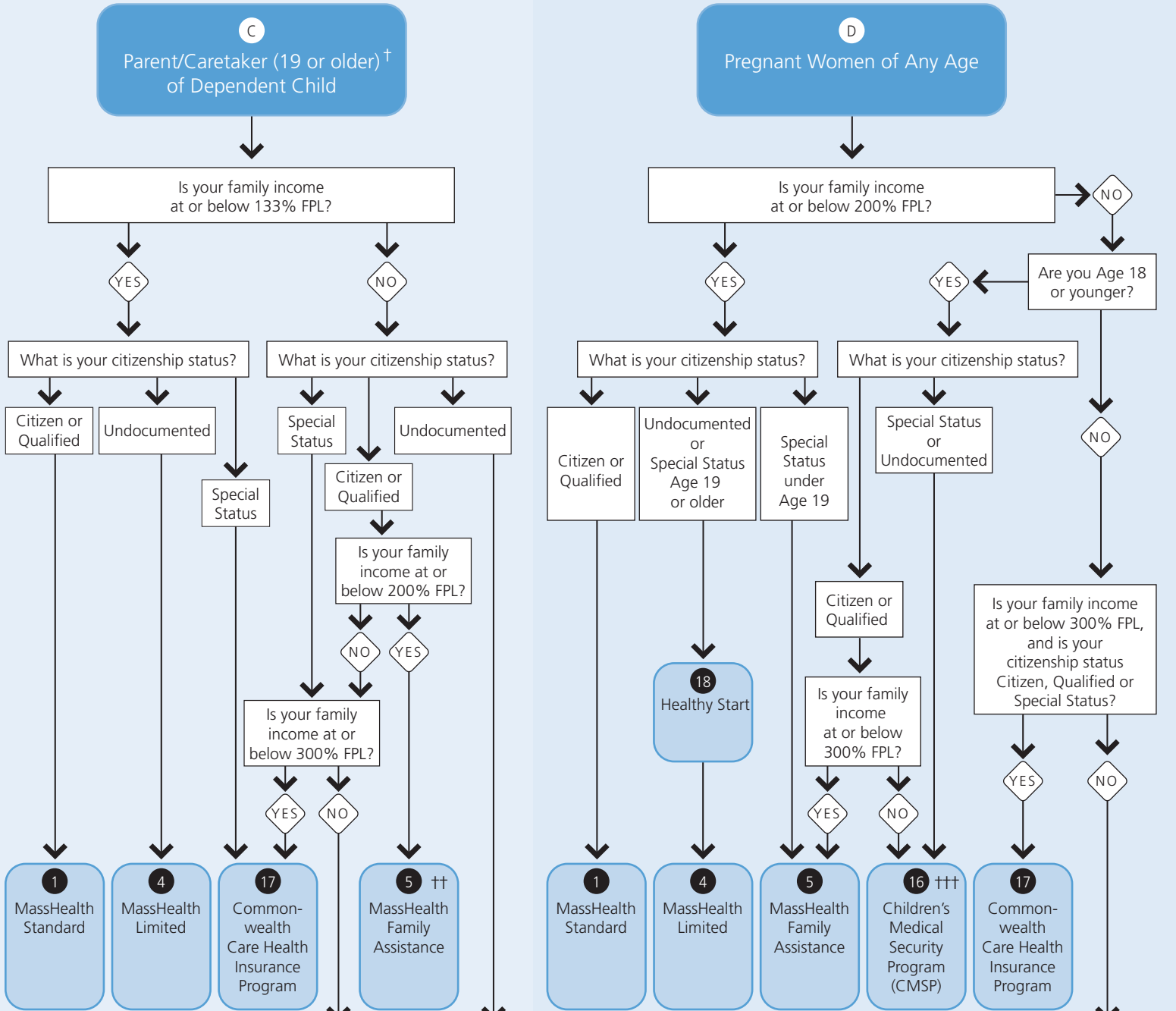
Children Under Age 19, Parents/Caretakers, and Pregnant Women of any Age*

*Individuals who are not institutionalized and do not need long-term care services



ADDITIONAL OPTIONS FOR THOSE WHO DO NOT QUALIFY: HOSPITAL and COMMUNITY HEALTH CENTER CHARGES: HSN if at or below 200% FPL, partial coverage if between 200-400% FPL, and medical hardship assistance to those who qualify if >400% FPL. PRESCRIPTION MEDICATIONS: For more information, please see "Prescription Drug Coverage Eligibility" chart on page 10.

** If family income is at or below 400% FPL, can also qualify for supplemental care through the HSN.



ADDITIONAL OPTIONS FOR THOSE WHO DO NOT QUALIFY: HOSPITAL and COMMUNITY HEALTH CENTER CHARGES: HSN if at or below 200% FPL, partial coverage if between 200-400% FPL, and medical hardship assistance to those who qualify if >400% FPL. PRESCRIPTION MEDICATIONS: For more information, please see "Prescription Drug Coverage Eligibility" chart on page 10.

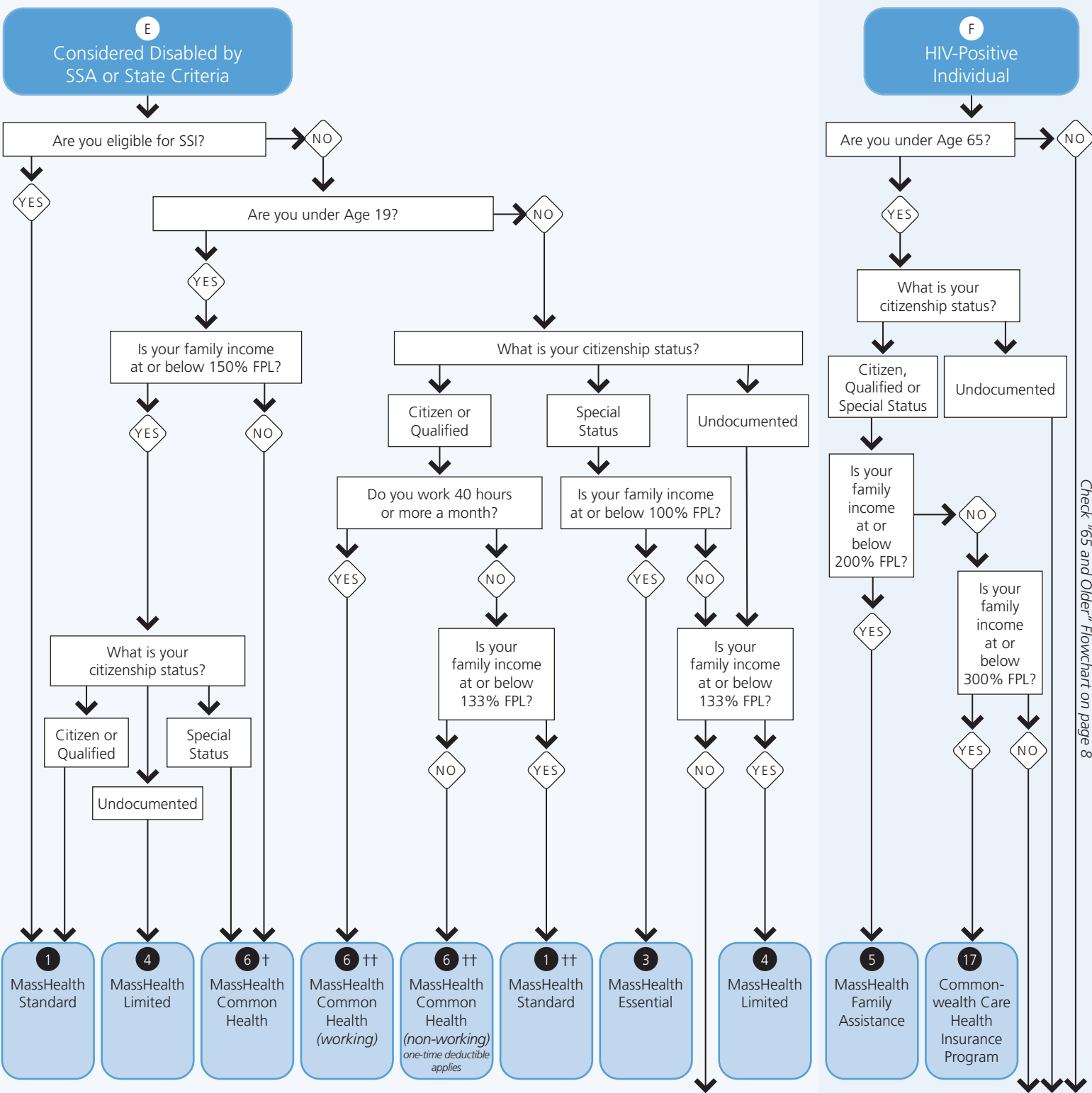
[†] Includes individuals 65 and older.

⁺⁺ Pays part of your family's health insurance premiums if you have or can get qualified health insurance from a qualified employer.

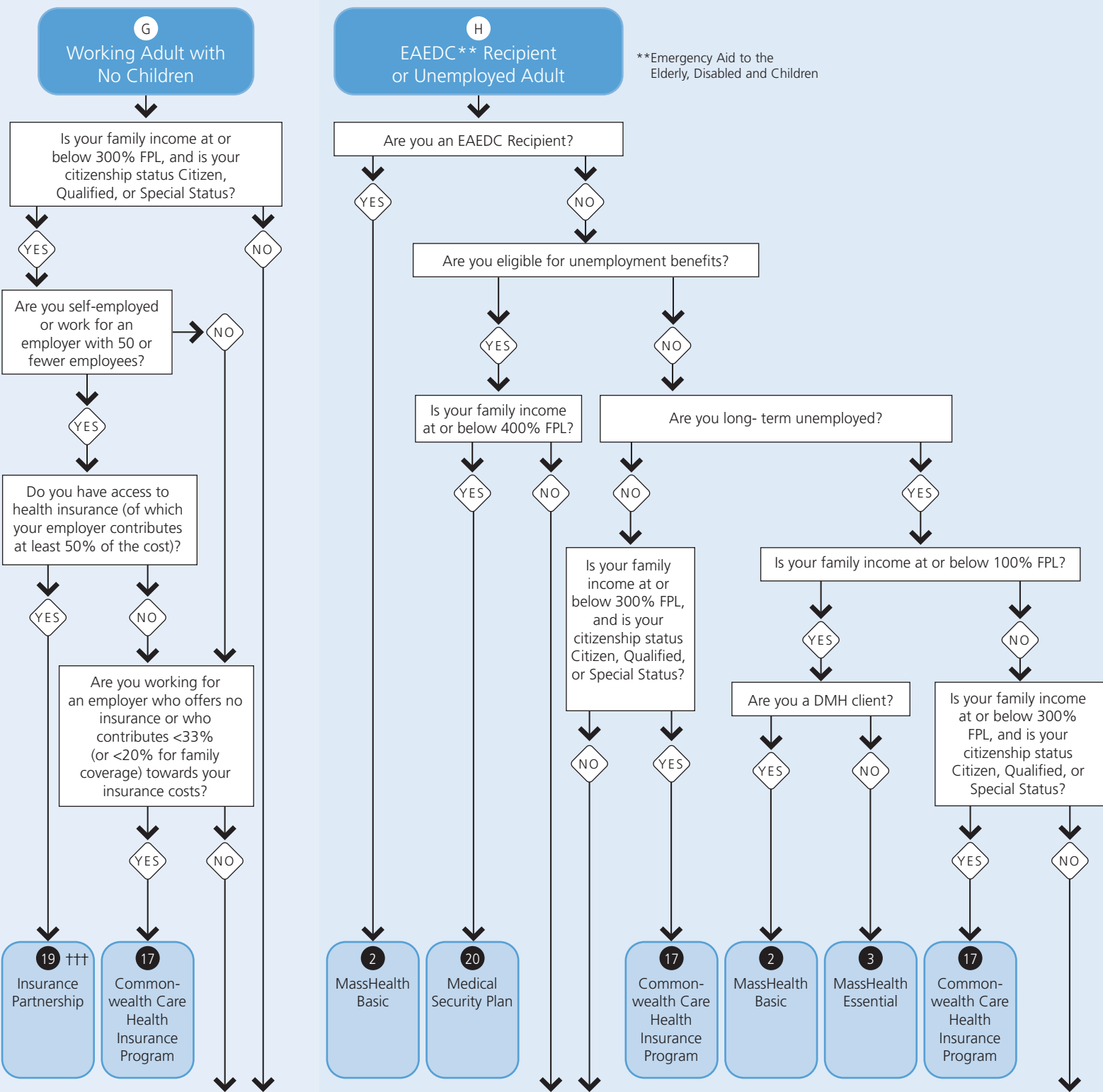
⁺⁺⁺ If family income is at or below 400% FPL, can also qualify for supplemental care through the HSN.

Specific Populations Under 65 Years Old*

*Individuals who are not institutionalized and do not need long-term care services



ADDITIONAL OPTIONS FOR THOSE WHO DO NOT QUALIFY: HOSPITAL and COMMUNITY HEALTH CENTER CHARGES: HSN if at or below 200% FPL, partial coverage if between 200-400% FPL, and medical hardship assistance to those who qualify if >400% FPL. PRESCRIPTION MEDICATIONS: For more information, please see "Prescription Drug Coverage Eligibility" chart on page 10.



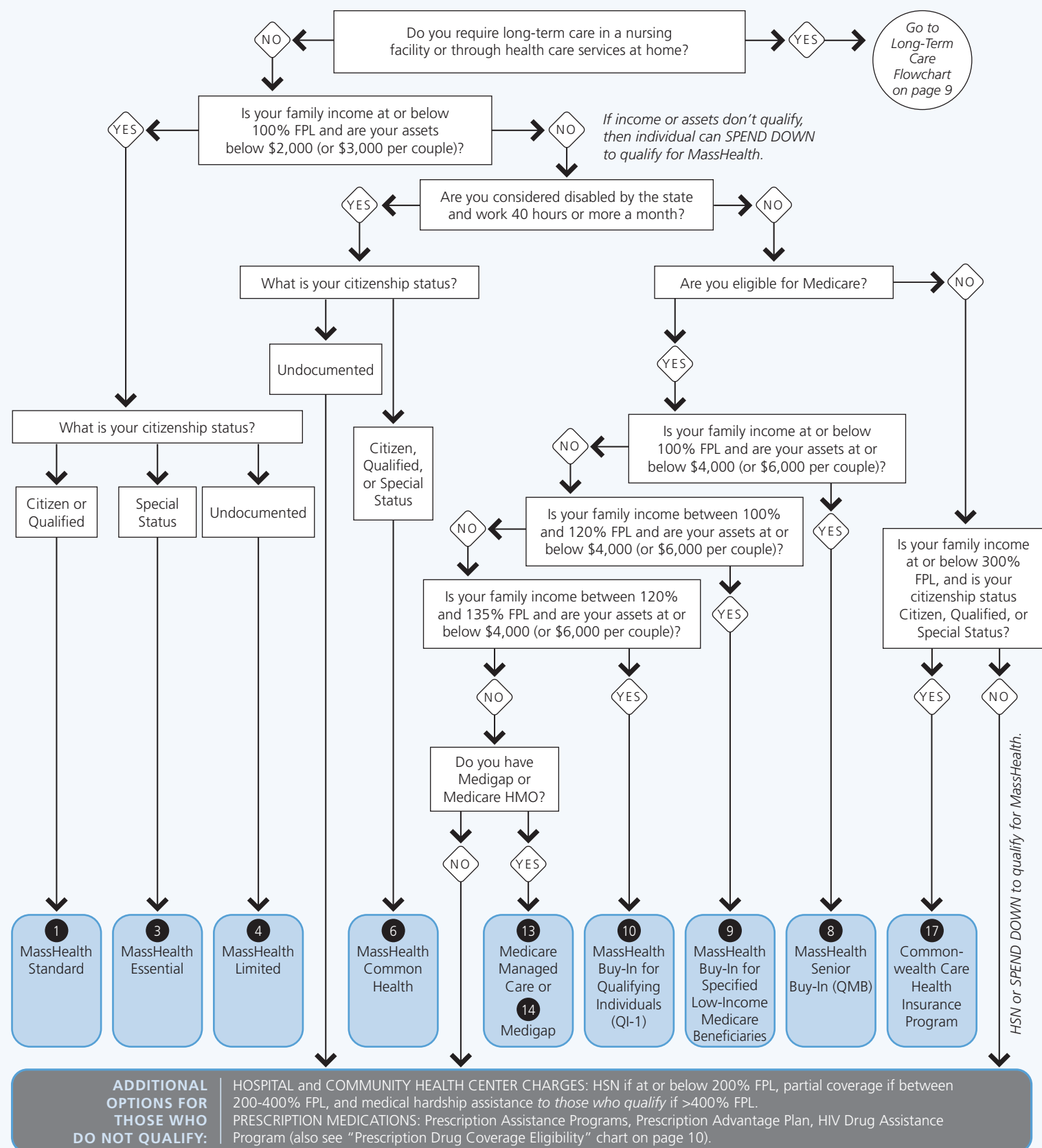
ADDITIONAL OPTIONS FOR THOSE WHO DO NOT QUALIFY: HOSPITAL and COMMUNITY HEALTH CENTER CHARGES: HSN if at or below 200% FPL, partial coverage if between 200-400% FPL, and medical hardship assistance to those who qualify if >400% FPL. PRESCRIPTION MEDICATIONS: For more information, please see "Prescription Drug Coverage Eligibility" chart on page 10.

†Excludes undocumented aliens who are eligible for the Children's Medical Security Program..
†† These individuals may also be eligible for Medicare/SSDI if they are disabled for more than 24 months and meet Medicare contribution requirements.

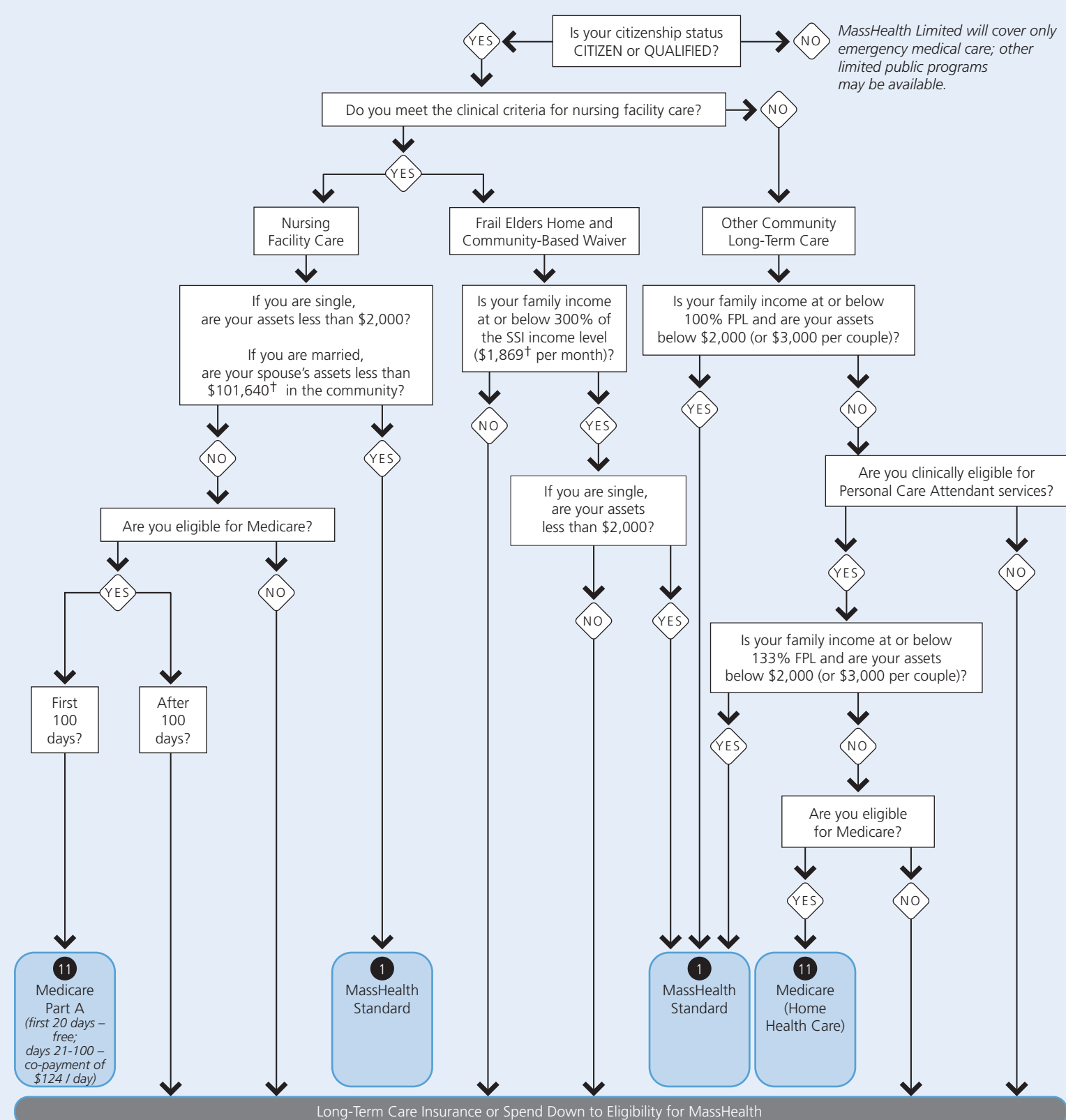
††† Enrollment in the Insurance Partnership enables one to receive MassHealth Family Assistance (premium assistance).

Adults Age 65 or Older with No Dependent Children*	Long-Term Care Coverage for Individuals 65 and Older (including Community and Nursing Facility care)
<p> California </p> <p> Colorado </p> <p> Connecticut </p> <p> Delaware </p> <p> Florida </p> <p> Georgia </p> <p> Idaho </p> <p> Illinois </p> <p> Indiana </p> <p> Iowa </p> <p> Kansas </p> <p> Kentucky </p> <p> Louisiana </p> <p> Maine </p> <p> Maryland </p> <p> Massachusetts </p> <p> Michigan </p> <p> Minnesota </p> <p> Mississippi </p> <p> Missouri </p> <p> Montana </p> <p> Nebraska </p> <p> Nevada </p> <p> New Hampshire </p> <p> New Jersey </p> <p> New Mexico </p> <p> New York </p> <p> North Carolina </p> <p> North Dakota </p> <p> Ohio </p> <p> Oklahoma </p> <p> Oregon </p> <p> Pennsylvania </p> <p> Rhode Island </p> <p> South Carolina </p> <p> South Dakota </p> <p> Tennessee </p> <p> Texas </p> <p> Utah </p> <p> Vermont </p> <p> Virginia </p> <p> Washington </p> <p> West Virginia </p> <p> Wisconsin </p> <p> Wyoming </p>	<p> California </p> <p> Colorado </p> <p> Connecticut </p> <p> Delaware </p> <p> Florida </p> <p> Georgia </p> <p> Idaho </p> <p> Illinois </p> <p> Indiana </p> <p> Iowa </p> <p> Kansas </p> <p> Kentucky </p> <p> Louisiana </p> <p> Maine </p> <p> Maryland </p> <p> Massachusetts </p> <p> Michigan </p> <p> Minnesota </p> <p> Mississippi </p> <p> Missouri </p> <p> Montana </p> <p> Nebraska </p> <p> Nevada </p> <p> New Hampshire </p> <p> New Jersey </p> <p> New Mexico </p> <p> New York </p> <p> North Carolina </p> <p> North Dakota </p> <p> Ohio </p> <p> Oklahoma </p> <p> Oregon </p> <p> Pennsylvania </p> <p> Rhode Island </p> <p> South Carolina </p> <p> South Dakota </p> <p> Tennessee </p> <p> Texas </p> <p> Utah </p> <p> Vermont </p> <p> Virginia </p> <p> Washington </p> <p> West Virginia </p> <p> Wisconsin </p> <p> Wyoming </p>

**Individuals who are not institutionalized and do not need long-term care services*



Long-Term Care Coverage for Individuals 65 and Older (including Community and Nursing Facility care)



Individuals with disabilities, age 65 and older, are eligible for the MassHealth/CommonHealth program if they meet the work requirement (40 hours of employment or more per month or an average of 240 hours in the previous 6 months) and have a disabling condition as determined by MassHealth Disability Evaluation Services (DES). MassHealth/CommonHealth members have no income or asset limitations but are assessed a monthly premium based on income. CommonHealth covers all long-term care needs except for Nursing Facility care.

† This number is updated yearly.

Prescription Drug Coverage Eligibility: Medicaid, Medicare, and Other Prescription Drug Assistance Programs

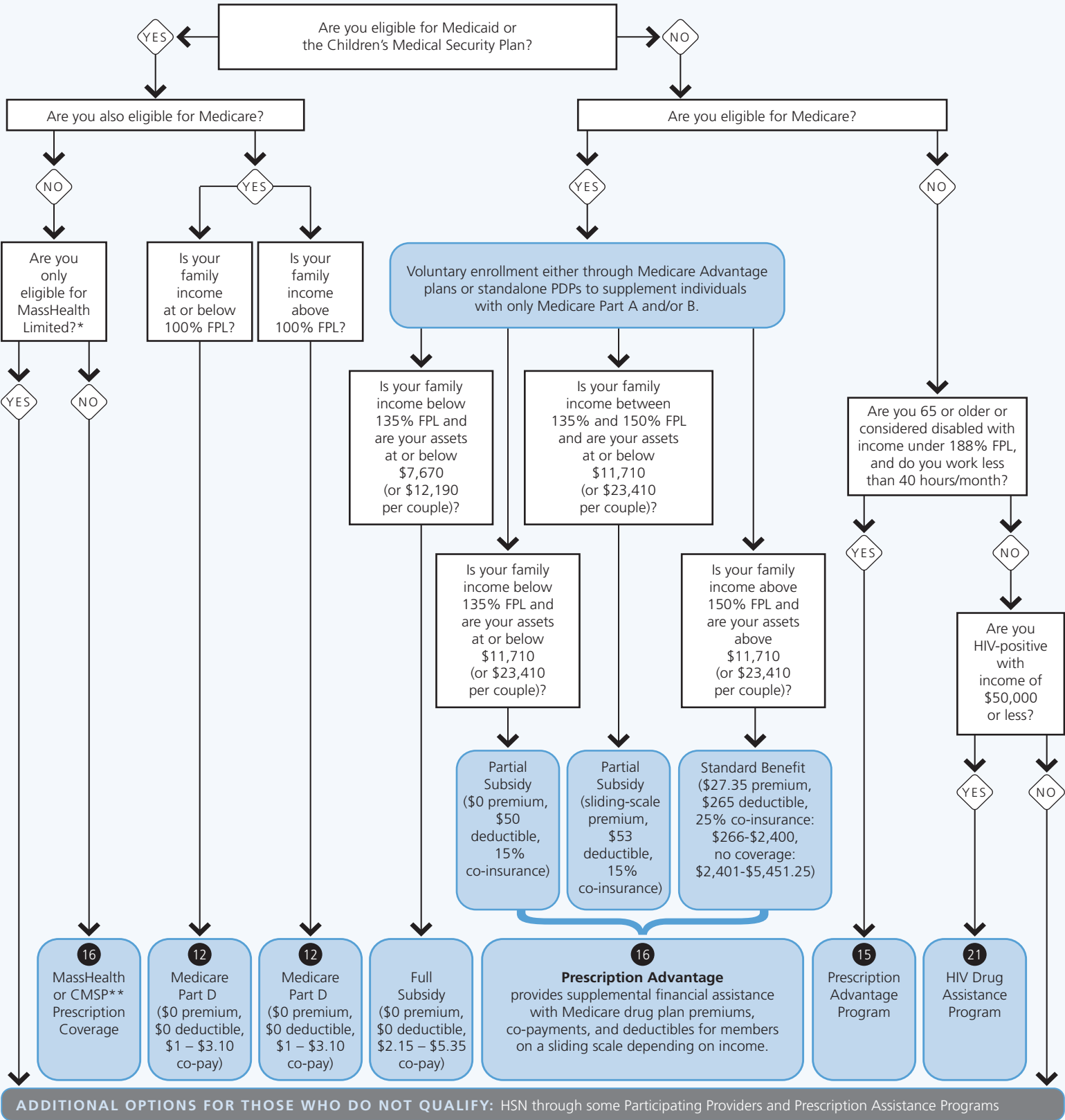
SECTION 2: ADDITIONAL INFORMATION ON SPECIFIC PROGRAMS AND DEFINITIONS

HEALTH COVERAGE / PROGRAMS

MassHealth Programs:

There are several different types of MassHealth coverage, each with its own set of eligibility rules and benefits. Depending on household income levels, some individuals may have to pay a premium and/or co-payments for programs. For information on applying to any of the MassHealth programs, call MassHealth Customer Service at 1-800-841-2900, or visit their website at www.mass.gov/masshealth.

- 1 **MassHealth Standard** is the most comprehensive MassHealth program, providing a full range of health care benefits, with some limitations. MassHealth Standard covers the following services: inpatient hospital services and outpatient services such as hospitals, clinics, doctors, dentists, chiropractors, vision-care, prosthetics, family planning, nursing facility care, home health care, and transportation to appointments. It also covers adult day health; adult foster care; inpatient and outpatient mental health and substance abuse services; and well-child screenings (for children under age 21), including medical, vision, dental, and hearing tests, as well as shots and prescription and nonprescription drugs. Low-income children, pregnant women, families with dependent children, elders, and people with disabilities are eligible provided they are US citizens or qualified non-citizens.
- 2 **MassHealth Basic** covers a wide range of health care services, including dental services, though not as many as MassHealth Standard. It does not cover adult day health, foster care, hospice, nursing facility services, or transportation, except for emergency ambulance services. Those eligible include individuals receiving Emergency Assistance to Elderly, Disabled, & Children (EAEDC) from the Department of Transitional Assistance, as well as individuals receiving services from the Department of Mental Health (DMH) who are long-term unemployed with income at or below 100% of the Federal Poverty Level (FPL).
- 3 **MassHealth Essential** provides benefits, including dental services, slightly more limited than MassHealth Basic to individuals who are long-term unemployed and who are not otherwise eligible for MassHealth Standard or Basic coverage. Household income must be at or below 100% FPL and individuals must not be eligible for unemployment benefits.
- 4 **MassHealth Limited** only covers emergency services, including labor and delivery, for certain low-income children, pregnant women, families with children, elders, and people with disabilities who are special status or undocumented aliens. People who apply only for MassHealth Limited are not required to provide a Social Security Number, nor will their information be matched to other federal and state agencies.
- 5 **MassHealth Family Assistance** provides a similar range of benefits, including dental services, as MassHealth Basic, for certain higher-income children up to 300% FPL (or for special status children up to 200%); childless adults with income up to 200% FPL through premium assistance only; parents/caretakers of dependents with income up to 200% FPL; and persons with HIV/AIDS with income up to 200% FPL. This program either reimburses the cost of the insurance premium for families and childless adults who have employer-based health insurance or allows families to enroll in a health plan through MassHealth. US citizens, qualified non-citizens, and special status non-citizens are eligible.
- 6 **MassHealth CommonHealth** offers health care benefits to adults and children with disabilities whose incomes are too high to be eligible for MassHealth Standard. Benefits offered are similar to those offered under MassHealth Standard. CommonHealth covers all long-term care needs except for nursing home facilities. There are no income limits or asset tests for CommonHealth coverage, but a premium payment applies on a sliding scale fee basis for those with higher incomes. Some members may have to pay a one-time deductible (spend down) depending upon income. Individuals who qualify for federal Qualified Disabled and Working Individual



(QDWI) status may also receive benefits under MassHealth CommonHealth, while others who meet the working requirement must pay monthly premiums, but no deductible.

- 7 **MassHealth Prenatal** provides immediate outpatient prenatal care including up to 60 days of routine prenatal office visits and diagnostic tests to pregnant women who have applied to MassHealth, but have not verified their income. Self-declared income must be at or below 200% FPL. If proof of income is not provided later within the time limits allowed, benefits will end after 60 days or when a determination of eligibility is made, whichever is sooner.
- 8 **MassHealth Senior Buy-In (QMB)** is for certain Medicare beneficiaries whose assets are too high to qualify for MassHealth Standard, but whose income is less than or equal to 100% FPL. Countable assets must be \$4,000 or less for an individual or \$6,000 or less for a married couple living together. The program pays for Medicare premiums, as well as deductibles and coinsurance for both Medicare Part A and Part B.
- 9 **MassHealth Buy-In for Specified Low-Income Medicare Beneficiaries (SLMB)** is for Medicare beneficiaries who do not qualify for MassHealth Senior Buy-In. This program is for individuals whose income is between 100% and 120% FPL. Countable assets must be \$4,000 or less for an individual or \$6,000 or less for a married couple living together. It pays only for the monthly Part B Medicare premium.
- 10 **MassHealth Buy-In for Qualifying Individuals (QI-1)** is for certain Medicare beneficiaries who do not qualify for MassHealth Buy-In (SLMB). This program is for individuals whose income is between 120% and 135% FPL. Countable assets must be \$4,000 or less for an individual or \$6,000 or less for a married couple living together. It pays only for the monthly Part B Medicare premium.

Medicare

- 11 **Medicare** is a federal health insurance program for seniors and people with disabilities who have contributed to the federal social security program while employed for a minimum number of years. It does not cover most long-term nursing home care, or longer-term home care services. It also does not cover certain routine services, including physical exams (except for a one-time only annual physical for new Part B members) or tests for vision and hearing.
 - Medicare Part A — Medicare hospital insurance that pays for inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care
 - Medicare Part B — Medicare medical insurance that helps pay for doctors' services, some preventative care, outpatient hospital care, durable medical equipment, and some medical services not covered by Part A
 - Medicare Part C — Medicare managed care plan, see #13 for more details
 - Medicare Part D — Medicare prescription drug coverage benefit
- 12 **Medicare Part D** (began January 1, 2006): Voluntary prescription drug coverage to supplement Medicare Part A and/or Part B beneficiaries. The coverage is provided by private plans, called Prescription Drug Plans (PDP), and beneficiaries choose a plan according to their medication needs and financial situation. PDP's are either being attached to Medicare Advantage Plans or exist as stand-alone plans that supplement Medicare Part A and Part B coverage. Although PDP's can create their own benefit design, it must be equivalent to the standard benefit, which requires beneficiaries to pay monthly **premiums** averaging \$20 to \$40 and a \$265 **deductible** before prescription coverage begins. After paying the deductible, beneficiaries will pay 25% **co-insurance** until their prescription drug costs exceed \$2,401. A **coverage gap** (also known as the "doughnut hole") occurs between \$2,401 and \$5,451.25 where individuals must pay all drug costs themselves. After exceeding \$5,451.25 in drug expenses, **catastrophic coverage** begins and members will be responsible for the greater of 5% co-insurance or \$2 for generic/\$5 for covered brand-name drugs (2007 figures; adjusted annually). **Dual eligible beneficiaries** can receive extra help in the cost-sharing requirements of Medicare Part D, and will be auto-enrolled in a PDP. Other Medicare beneficiaries with limited income and resources can receive extra financial assistance with their premiums and **co-payments**, but will have to apply for it. Although enrollment into Medicare Part D is voluntary, those who enroll after May 15, 2006 have to pay a cumulative penalty of 1% per month. For example, if a person chooses to enroll 3 years after the May 15, 2006 date, the penalty will be 36% of the Part D premium charged (36 months * 1%) for life.

For comprehensive information about the Medicare Part D drug benefit call 1-800-633-4227 or www.medicare.gov. For information on how to apply for extra help paying for Medicare Part D premiums, deductible, and co-payments call 1-800-772-1213 or www.ssa.gov/prescriptionhelp.

- 13 **Medicare Advantage Plans:** Health plans offered by private managed care companies that contract with Medicare to provide Medicare Part A and B benefits. Medicare Advantage Plans are available with and without Part D prescription drug plans.
- 14 **Medigap** is a private supplemental insurance policy that individuals may purchase to supplement services not covered by Medicare. In Massachusetts there are three levels of Medigap insurance policies offered, and each pays for different services, for varying costs. Some policies offer a choice of doctors or hospitals. Low-income individuals who cannot afford the cost of a Medigap plan may be eligible for supplemental coverage through MassHealth.

Other Health Insurance Programs:

- 15 **Prescription Advantage:** A prescription drug insurance program for Massachusetts residents age 65 and over, and younger, low-income individuals with disabilities. The Massachusetts Executive Office of Elder Affairs administers the program. With the introduction of the Medicare Part D prescription drug benefit on January 1, 2006, Prescription Advantage is a secondary payer providing financial assistance to supplement Medicare coverage. Prescription Advantage requires Medicare-eligible members to be enrolled in a Medicare prescription drug plan in order to receive its assistance. For members without Medicare, Prescription Advantage eligibility and benefits will remain the same.
- 16 **Children's Medical Security Plan (CMSP)** is a health plan for children under the age of 19 who are not eligible for other MassHealth programs and do not have private health insurance coverage. The program covers primary and preventive services for children with any family income. The monthly amount a family pays for CMSP coverage is dependent on family size and income. The maximum prescription benefit is \$200 a year.
- 17 **Commonwealth Care Health Insurance Program** is a new program created by the health care reform bill. Commonwealth Care provides state-funded subsidies to low-income individuals to assist with the purchase of affordable private health insurance from Commonwealth Care health plans. To qualify, a person must have a household income at or below 300% FPL, not be eligible for MassHealth or Medicare, and have no access to employer-sponsored coverage or other subsidized government health insurance programs. Citizens, qualified aliens, and aliens with special status are eligible; undocumented aliens are not. Non-working individuals, the self-employed, and employees from companies of any size are potentially eligible. Employees must either have no access to insurance or work for employers who contribute less than 33% (or less than 20% for family coverage) towards their insurance costs. Employees must also not have accepted any financial incentive from the employer to decline the employer's coverage. Health plans offered through Commonwealth Care do not have deductibles. The amount of the premium subsidy is determined using an income-based sliding scale. For those whose incomes are not at or below 150% FPL, the subsidy will cover the full cost of the premium but individuals must pay co-payments for some services. Visit the Connector's website at www.mahealthconnector.org or call 1-877-MA-ENROLL (1-877-623-6765) for more information.
- 18 **Healthy Start** provides health insurance for low-income, uninsured pregnant women who are not eligible for MassHealth (except for MassHealth Limited) and have family income at or below 200% FPL. It also provides coverage for pregnancy-related primary and specialty care, labor and delivery, prescriptions, and several other health benefits.
- 19 **Insurance Partnership:** The Insurance Partnership provides small businesses with partial subsidies to offset their costs of group health insurance purchased for employees between the ages of 19 and 64 earning at or below 300% FPL. The subsidy is available for both individual and family coverage. To participate in the Insurance Partnership, employers must have 50 or fewer employees or be self-employed, sponsor a comprehensive group health plan, and contribute at least 50% of the cost of the employees' health insurance premium. Employees

whose employer or family member’s employer has provided insurance coverage in the preceding six months for which the employee was eligible are excluded.

- 20 **Medical Security Plan:** The Medical Security Plan (MSP) of the Division of Unemployment Assistance (DUA) provides either premium assistance or direct coverage for persons eligible for unemployment compensation in Massachusetts, or residents who either receive or are eligible to receive state unemployment insurance benefits. DUA contracts with Blue Cross Blue Shield to administer this plan, which provides either direct health coverage or premium assistance for COBRA, if that benefit is available to them. This plan is available to persons whose household income is at or below 400% of the federal poverty level. *MSP Member Service Center: 1-800-914-4455*
- 21 **Massachusetts HIV Drug Assistance Program (HDAP):** A drug assistance program for Massachusetts residents with HIV with incomes at or under \$50,000/year. HDAP is funded by the Massachusetts Department of Public Health and independently administered by the Community Research Initiative of New England. (1-800-228-2714)
- 22 **Prescription Assistance Programs:** Various prescription discount programs offered by private for-profit and non-profit organizations that provide members with varying discounts on prescription drugs. Prescription Advantage: 1-800-243-4636, press 1 or TTY: 1-800-610-0241 or www.800ageinfo.com
- 23 **Commonwealth Choice** is an employer-sponsored health insurance program administered by the Connector. Under Commonwealth Choice there are four levels of coverage offered to meet the needs of different individuals and their families including Premier, Value, Basic and Young Adult. To enroll into a Commonwealth Choice plan, members and/or employers must pay a monthly premium. Members also pay a co-payment. In addition there may be a deductible the member must pay out of pocket for services before the health plan begins paying.

CITIZENSHIP STATUS

Qualified Aliens: As defined by MassHealth, these are noncitizens who can qualify for federally-funded benefits. Qualified aliens include legal permanent residents who arrived before August 22, 1996, or arrived on or after that date and have been in the country for five years or more. They receive the same benefits as citizens. A full description and list of qualified aliens can be found on the MassHealth website at www.mass.gov/masshealth in the section describing citizenship and immigration rules.

Aliens with Special Status: As defined by MassHealth, these are noncitizens who are legal residents but who are excluded from receiving certain federally-funded benefits for a defined period. They include persons residing under color of law (PRUCOL). A full description and list of qualified aliens can be found on the MassHealth website at www.mass.gov/masshealth in the section describing citizenship and immigration rules.

Undocumented Alien: As defined by MassHealth, these are noncitizens who do not meet the definition for qualified aliens or aliens with special status.

DEFINITIONS

Caretaker Relative: An adult relative living with children under age 19, who is the primary caretaker of the children when neither parent is living in the home.

Catastrophic coverage: If beneficiaries have drug expenses that go above the coverage gap, Medicare Part D plans will cover up to 95% of the rest of your prescription costs until the end of the calendar year. There is no limit to this coverage in any one year. It is called “catastrophic” because it is intended to protect individuals against very high drug bills.

Co-insurance: A kind of cost sharing where costs are split on a percentage basis between beneficiaries and the insurance plan. For example, a plan might pay 75% and the beneficiary would pay 25% of the drug costs.

Co-payment: A fixed dollar amount paid by beneficiaries for each prescription drug they receive. For example, a beneficiary might pay \$15 for each prescription received and their plan would pay the remaining cost of the drug.

Coverage gap (Doughnut hole): A name for the step in Medicare Part D where beneficiaries who incur more than \$2,401 in prescription drug expenditures will reach a coverage gap, known as the “doughnut hole,” with coverage

resuming once their expenditures exceed \$5,451.25. These amounts may vary by plan. During this coverage gap, beneficiaries must pay out of pocket for all their prescription costs.

COBRA: The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 contains a provision allowing certain employees who lose their jobs, or who lose coverage due to reduced work hours, to temporarily continue to purchase health insurance for themselves and their families at group rates. *US Dept. of Labor: 1-617-565-9600*

Community Health Centers (CHC): Local health centers that provide primary health care services to the insured, underinsured, and uninsured. Free care or sliding-scale fee reduction based on income is available. The services provided and the fees charged vary from center to center.

Community Long-Term Care: Community long-term care helps older people and people who are chronically disabled and require assistance live independently at home. Examples of community long-term care offered to MassHealth members include personal care attendant services, hospice benefits, home health care, durable medical equipment program, and private-duty nursing.

Deductible: The annual amount an individual must pay towards medical services before an insurance plan begins to cover medical costs.

Dual eligibles: Individuals who have both Medicaid and Medicare coverage. Dual eligibles’ prescription drug coverage was shifted from Medicaid to Medicare with the enactment of the new Medicare Part D benefit.

Federal Poverty Level (FPL): The amount of income established by the federal Department of Health and Human Services is used to determine eligibility for a wide variety of federal and state programs. FPL income guidelines are updated annually and vary according to family size and composition. Public assistance programs such as Medicaid define eligibility using some percentage of the FPL as income limits. See the end of this publication for an FPL chart with various levels.

Health Safety Net Trust Fund (HSN): The HSN, replaced the Uncompensated Care Pool (UCP) on October 1, 2007, pays acute hospitals and community health centers for services delivered to eligible individuals. The HSN adopted the MassHealth Standard benefit package provided at acute care hospitals and community health centers. Those who are eligible for HSN services include a) Massachusetts residents with household income less than 200% FPL who are otherwise ineligible for MassHealth, for Commonwealth Care, and who do not have access to affordable employer sponsored insurance; b) MassHealth Standard services not covered by primary insurance for those with household income below 200% FPL; and c) those with income between 201-400% of FPL after meeting a deductible equal to 40% of the income in excess of 200% FPL. The HSN includes patient co-pays consistent with Commonwealth Care; but there is no cost sharing for children under 18 years of age or for services provided at community health centers to individuals with income level below 200% FPL. For individuals with significant medical debt, acute hospitals and community health centers will receive reimbursement for unpaid medical expenses exceeding a sliding scale percentage of an individual’s income.

Home- and Community-Based Services Waiver: The Home- and Community-Based Services Waiver allows certain frail people (aged 60 and older) to live at home and get MassHealth Standard. This program allows the person needing the at-home services, if married and living with his or her spouse, to have MassHealth eligibility determined without counting the income and assets of the other spouse.

Long-Term Care Insurance is private insurance designed specifically to pay for long-term care services. Benefits are usually paid for a specific number of days or for a specified dollar amount. These policies typically cover custodial care in a nursing home and/or personal care services in-home.

Long-Term Unemployment: An individual is considered long-term unemployed when he/she has been unemployed for more than one year; or during the past 12 months, he/she has earned less than the minimum amount necessary to qualify for unemployment benefits.

Mass Medline: This program is a public-private partnership between the Massachusetts Office of Elder Affairs and the Massachusetts College of Pharmacy and Health Sciences. It provides information on both public and private prescription assistance programs to people who are having trouble covering their prescription drug costs. Residents can call a toll-free number to speak with an intake specialist who will collect information on the prescriptions needed

and provide assistance in finding programs that will cover their costs. *Contact: 1-866-633-1617 or complete the intake form at their website (www.massmedline.com).*

Nursing Facility Care: Nursing facilities provide a wide range of services from post-hospital care to rehabilitative care to their more traditional role of providing long-term care to the chronically ill and disabled. MassHealth pays for members to stay in licensed and certified nursing facilities who meet certain clinical criteria, namely the daily need for skilled nursing services or the need for skilled nursing services at least three times per week in addition to daily assistance with two or more Activities of Daily Living.

People with Disabilities: To qualify for MassHealth Standard or CommonHealth, an individual with a disability must be “permanently and totally disabled” as the term is defined by one of three programs: the federal Social Security Administration, the Disability Evaluation Service for MassHealth; or the Massachusetts Commission for the Blind (certification of legal blindness).

Personal Care Attendant (PCA) Services: Personal Care Attendant services help elderly and individuals with disabilities with activities of daily living such as bathing, grooming, eating, and getting dressed and taking medicines. By getting PCA services, some people can live at home instead of having to live in a long-term-care facility.

Premium: A periodic payment, usually monthly, to Medicare, an insurance company, or a health care plan for health care or prescription drug coverage.

Serving the Health Information Needs of Elders (SHINE) Counseling Program: This is a free statewide health insurance counseling program for seniors and Medicare beneficiaries in Massachusetts. The SHINE program ensures that individuals have access to unbiased and up-to-date information about their health care options. Contact: 1-800-243-4636 (1-800-AGE-INFO)

Social Security Disability Insurance (SSDI): SSDI is a cash benefit program that workers, employers, and the self-employed pay for with their Social Security taxes. Benefits are based on work history and earnings. To qualify for SSDI, individuals must have worked long enough and recently enough under Social Security. Social Security pays cash benefits to people who are unable to work for a year or more because of a disability. Family members of disabled workers may be eligible to qualify for benefits based on the disabled worker’s history of working under Social Security.

Spend Down: Persons aged 65 and over and individuals with disabilities may qualify for MassHealth even if their income exceeds certain income standards. “Spend down” refers to the eligibility requirement that they must incur medical expenses equal to a government-determined deductible over a six-month period. Also, non-working individuals with disabilities under age 65 whose household income is greater than 133% FPL must pay a one-time only deductible to qualify for the CommonHealth program. The term “spend down” can also apply to assets in excess of eligibility limits. The elderly who do not qualify for MassHealth because their assets exceed the \$2000 per person (\$3000 per couple) limit may also qualify for MassHealth by “spending down” their assets until they reach the allowable asset limit. Certain property is not counted towards a person’s total allowable assets.

Supplemental Security Income (SSI): SSI is a needs-based cash assistance program funded and administered by the federal government. The Supplemental Security Income (SSI) program makes cash assistance payments to the elderly, blind, and disabled individuals (including disabled children under age 18) who have limited income and resources. The federal government funds SSI from general tax revenues. Additionally, a state supplement is included in the payments. *Customer Service: 1-800-772-1213*

THE FEDERAL POVERTY LEVEL

In determining financial eligibility for MassHealth, Commonwealth Care, and the Health Safety Net, the Office of Medicaid compares a family's monthly gross income to the applicable federal poverty levels in the chart below. Weekly income is multiplied by 4 1/3 to determine the monthly amount.

Federal Poverty Levels (monthly)

FAMILY SIZE	100%	133%	150%	200%	300%
1	\$851	\$1,132	\$1,277	\$1,702	\$2,553
2	\$1,141	\$1,518	\$1,712	\$2,282	\$3,423
3	\$1,431	\$1,904	\$2,147	\$2,862	\$4,293
4	\$1,721	\$2,289	\$2,582	\$3,442	\$5,163
5	\$2,011	\$2,675	\$3,017	\$4,022	\$6,033
6	\$2,301	\$3,061	\$3,452	\$4,602	\$6,903
7	\$2,591	\$3,446	\$3,887	\$5,182	\$7,773
8	\$2,881	\$3,832	\$4,322	\$5,762	\$8,643
Additional	+\$290	+\$386	+\$435	+\$580	+\$870

The Office of Medicaid updates the federal poverty levels each April based on changes made by the federal government. The income levels above reflect the standards from April 1, 2007 to March 31, 2008.

PRESCRIPTION ADVANTAGE

The following table illustrates how Prescription Advantage provides supplemental financial assistance to wrap around members Medicare Part D coverage benefits:

INCOME LEVEL	PREMIUMS	CO-PAYMENTS	OUT-OF-POCKET LIMIT
Less than 135% FPL and limited assets (Full Subsidy group)	No Prescription Advantage financial assistance (these members would pay less under Medicare Part D than they currently do under Prescription Advantage)		
Less than 188% FPL (includes the Partial subsidy group)	<ul style="list-style-type: none">PA will pay premiums up to \$30.27/mo (standard plans), If member enrolls in a higher cost plan, members responsible for difference.	<ul style="list-style-type: none">If co-payments for Medicare drug plan are higher than \$7 for generics and \$18 for brand-name drugs, PA will pay the difference	<ul style="list-style-type: none">Partial subsidy members: \$1,300Other members with incomes up to 188% FPL: \$1,440
From 188% to below 225% FPL	<ul style="list-style-type: none">Members responsible for first \$20 of Medicare premium, PA will pay any additional amount towards premium (up to \$30.27/mo)	<ul style="list-style-type: none">If co-payments for Medicare drug plan are higher than \$12 for generics and \$30 for brand-name drugs, PA will pay the difference	<ul style="list-style-type: none">\$1,800
From 225% to below 300% FPL	<ul style="list-style-type: none">No PA assistance for premiums	<ul style="list-style-type: none">If co-payments for Medicare drug plan are higher than \$12 for generics and \$30 for brand-name drugs, PA will pay the difference	<ul style="list-style-type: none">\$2,150
Between 300% and 500% FPL	Members in this category will generally save money with Medicare Part D assistance compared with Prescription Advantage, unless they have high drug costs. These members will pay a \$200 enrollment fee in exchange for an out-of-pocket limit of \$2,870.		
Above 500% FPL	No Prescription Advantage Financial Assistance (these members would pay less under Medicare Part D than they currently do under Prescription Advantage)		



222 MAPLE AVENUE
SHREWSBURY, MA 01545
WWW.UMASSMED.EDU/HEALTHPOLICY



LANDMARK CENTER
401 PARK DRIVE
BOSTON, MA 02215
WWW.MASSMEDICAID.ORG