THE HEALTH ACCESS AND AFFORDABILITY ACT

Section by Section Summary

Sections 1-4 create an Office of Health Access and an Assistant Secretary for Health Access within the Executive Office of Health and Human Services. The Assistant Secretary supervises the Office of Medicaid, Division of Health Care Finance and Policy (DHCFP) and the access programs established by the bill.

Section 5 authorizes MassHealth to cover all adults up to 200% of the federal poverty line, and removes the requirement in current law that only adults who are parents may be covered.

Sections 6-8 authorize MassHealth to expand eligibility for children up to 300% of the federal poverty level.

Section 9 directs the Secretary of Executive Office of Health and Human Services to seek a federal waiver to receive maximum federal reimbursements for all programs authorized by the bill.

Section 10 restores cuts made to MassHealth benefits, such as adult dental care and eyeglasses, and requires MassHealth to cover smoking cessation and all hospital stays. The section also prevents MassHealth from imposing a more restrictive disability standard than that used by the federal government.

Section 11 restores MassHealth coverage to legal immigrant adults.

Section 12 repeals the requirement that carriers offering health plans to small businesses provide non-group coverage.

Section 13 allows individuals to purchase small group insurance

Sections 14 and 15 repeal the existing small group and nongroup reinsurance programs.

Section 16 adds a new chapter 118H to the General Laws, titled Health Access and Affordability.

Section 1 of chapter 118H directs the Assistant Secretary for Health Access to certify as qualified all individual and small group health plans that provide reasonably adequate minimum standards of coverage. Only purchasers of qualified plans are eligible for subsidies under other provisions of the chapter.

Section 2 of chapter 118H creates a sliding-scale subsidy program for workers with incomes between 200% and 400% of the federal poverty level who enroll in a qualified individual/small group plan or employer-provided coverage.

Section 3 of chapter 118H establishes an automatic health insurance assignment process for employees without access to employer-based health coverage. The assistant secretary will assign these employees into qualified health plans. The employees can accept, request a transfer to a different plan, or not participate in the coverage.

Section 4 of chapter 118H establishes a reinsurance program to lower premiums for individuals and small businesses. The reinsurance will cover 90% of medical expenses within the reinsurance corridor.

Section 5 of chapter 118H establishes a health access assessment for each employer subject to unemployment insurance. The assessment is calculated as a percent of payroll, which will be determined by the assistant secretary for health access. The assistant secretary will also set up a low-wage worker deduction to exclude some payroll from the assessment, and other reasonable exclusions.

Employers will receive a credit against their assessment for employee health insurance expenses. The assistant secretary is directed to set the assessment rate and low-wage worker deduction so that small, low-wage firms will not face a substantial burden in paying the assessment. Firms providing health benefits to their employees will not pay any assessment. Assessments paid will go to the Health Access and Affordability Fund.

Sections 17-19 modify the insurance partnership program by increasing firm size to 75, increasing eligibility up to 250% of the federal poverty level, and increasing payments to participating firms by 50%.

Section 20 directs the Office of Medicaid to streamline enrollment and participation in the Insurance Partnership program.

Section 21 revises the method used to set MassHealth provider payment rates. The sections require MassHealth to adopt the Medicare payment systems, starting in fiscal year 2008. Rates are to be increased by the inflation level plus 10% until the Medicare rate levels are reached. Physician payments may reflect more than procedure for a single visit. Rates must also be sufficient to allow providers to cover the cost of providing health care to their employees. An advisory board will oversee and review changes and updates to MassHealth rates.

Section 22 provides that the Division of Health Care Finance and Policy annually review and report on rates paid to MassHealth providers. It also directs the division to prepare an annual report on the extent to which private insurance coverage prices are higher than they would be otherwise due to inadequate payment by the Commonwealth.

Section 23 establishes a Health Quality and Cost Council. The Council will develop goals to lower health care costs and improve quality of care. The recommendations are designed to promote high-quality, safe, effective, timely, efficient, equitable, and patient-centered health care. In addition, the Council will establish an advisory committee with members representing a broad cross-section of the health care industry.

Section 24 establishes a community health worker outreach program. This program will create an outreach plan that identifies barriers to health care, particularly in ethnic and racial minority communities, and develop strategies to reduce these barriers and improve public health.

Section 25 amends the Public Health Council statute to make the Council more independent. Appointments will reflect public health, medical education, providers, nurses, physicians, and consumers

Sections 26-28 replace the Children's and Senior's Health Care Assistance Fund created in 1996 with a new Health Access and Affordability Fund. All revenue to support the current MassHealth waiver and programs created by the bill will be appropriated from the new Fund.

Sections 29-31 increase the cigarette tax by 50 cents per pack, and direct the revenue to the Health Access and Affordability Fund.