



Federal Policy Updates

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Overview

The Biden Administration recently released a number of regulations impacting insurance markets and Marketplaces.

- Notice of Benefit and Payment Parameters for 2025
- Clarifying Eligibility for Certain Non-Citizens
- Non-discrimination
- Association Health Plans
- Short-term Limited Duration Plans
- Medical Debt

2025 Notice of Benefit and Payment Parameters (NBPP)

In April, the Centers for Medicare and Medicaid Services (CMS) finalized the 2025 NBPP, an annual rule outlining policies for ACA markets and Marketplaces.

- State-based Marketplaces will need to adopt federal network adequacy time and distance standards for 2026
- Changes to eligibility and special enrollment processes to reduce administrative burdens
- Consistent minimum standards for all Marketplaces and creation of a “floor” that is especially important for states looking to newly establish a state-based Marketplace
- Changes to processes and policies around the ACA’s Essential Health Benefits framework to enhance consumer protections and streamline state administration

Clarifying Eligibility for Certain Non-Citizens

Starting November 1, 2024, Deferred Action for Childhood Arrivals (DACA) recipients and certain other groups of noncitizens are newly considered "lawfully present" for purposes of Marketplace eligibility.

- ACA rules require that individuals have a lawfully present status to be able to purchase Marketplace coverage
- Parallel changes to Medicaid definitions were not finalized, though MassHealth currently covers some affected individuals with state-funded benefits
- A variety of direct and broad-based Open Enrollment messaging will highlight new opportunity to enroll
- These changes will help the Health Connector further equity goals around reducing uninsurance

Non-discrimination

A May rule strengthens and provides clarity on health care nondiscrimination provisions in Section 1557 of the ACA.

- Explicitly seeks to protect women, people with disabilities, LGBTQI+ people, people with limited English proficiency, people of color, and people regardless of age
- Applies nondiscrimination provisions more broadly, to all entities receiving federal financial assistance
- Sets standards for policies and training at covered entities, such as the Health Connector

Health Connector Action Items:

- Update notice language to reflect new provisions
- Review and update policies and procedures
- Train staff on updated policies and procedures
- Share summary with carriers for shared understanding

Association Health Plans (AHPs)

In late April, the U.S. Department of Labor finalized a rule rescinding 2018 regulations on Association Health Plans.

- AHPs allow small groups to band together to be rated as a large group for insurance purposes
- AHPs pose an adverse selection risk, drawing lower-risk enrollees out of individual and small group markets
- The 2018 regulation was never implemented due to court challenges that invalidated it
- In Massachusetts, state law requires that small groups in a multiple employer welfare arrangement or AHP obtain coverage and establish rates pursuant to merged market rating and benefits rules

Short-term Limited Duration Plans

In April, the Departments of Treasury, Labor, and Health and Human Services published a rule regulating short-term plans.

- Short-term plans are not subject to the same requirements as individual market plans under the ACA and can leave individuals without needed coverage
- Redefines “short term” as no more than three months with a one-month extension
- Requires prominent consumer disclosures about coverage limitations
- As with AHPs, state law limits the prevalence of short-term plans in the Massachusetts market

Medical Debt

A new proposed rule would restrict the use of medical debt information in credit reports, if finalized.

- Lenders would not be able to broadly use medical debt information to make credit decisions
- Credit reporting companies would be prohibited from including medical debt on credit reports when creditors are prohibited from considering it
- Lenders would not be allowed to use medical devices as collateral for a loan or repossess them for non-payment

Moving Forward

Regulatory activity will slow as the election approaches.

- Staff are working to implement provisions of these rules applicable to Marketplaces
- Future Board update on potential policy implications of the November elections