

New Free Care Pool Regulations

The DHCFP issued new regulations for the Uncompensated Care Pool on July 16.

The regs are available here: http://www.mass.gov/dhcfp/pages/pdf/p1146_12.pdf. Online, they have only posted the new section of the regulation, which replaces the old section. To catch all the changes, you have to compare the old and new versions, which is tough because they are not completely parallel.

A hearing will be held on the regulations on August 24. Groups concerned may submit written comments or speak at the hearing. Information is available here: http://www.mass.gov/dhcfp/pages/dhcfp_40.htm#pool.

The regulations make 3 changes that are driven by changes in the law (though the details were decided by the Division):

1. **Critical Access Services:** The pool will no longer cover hospital outpatient primary care if the hospital is within 15 miles of a community health center, unless the patient's acuity requires a hospital setting. Low-income free care-eligible patients who show up for primary care at a hospital clinic could be billed for the cost of their care.
2. **Residency:** The pool will no longer cover emergency services for non-residents of Massachusetts. (This is not related to legal immigration status, but rather to the pool not covering residents of other states.)
3. **State processing of applications:** Applicants for pool eligibility will use the MassHealth Benefit Request (MBR) form, and the processing of eligibility will be done by the state, and not the institution.

The regulations also appear to make some other changes that are not required by changes in the statute.

4. The prohibition on billing patients enrolled in the Pool, CMSP, Healthy Start, CenterCare and other programs is eliminated. It is unclear how and for what services institutions will bill these patients. Certainly patients who are treated at hospital-sited primary care clinics who turn out to be eligible for the pool but not MassHealth may be billed by the institution. The billing will presumably be based on charges, rather than the discounts provided to insured patients.
5. The prohibition on attaching cars and homes without an individual board vote is eliminated.
6. Some of the requirements around notice, like signs in alternative languages, or pool notices in bills, are eliminated.

Impact

- DHCFP does not know for certain how many primary care visits at hospital sites would be affected by regulation. They estimate that now around 260,000 urgent or primary care visits occur at hospitals or hospital-licensed health centers. This number needs to be reduced to estimate how many visits would be affected by the regulation. They reduced this number to 200,000 to take out MassHealth-eligible people. The number needs to be further reduced by taking out urgent and specialist visits, and by taking out hospital licensed health center visits. They estimate that the upper bound of hospital site primary care visits by pool-eligible patients will be approximately 100,000, and a lower bound of perhaps 50,000.

- The new requirements for tracking site of care will allow them to have much better data next year. For now, they can only guess at the impact of the regulations.

- DHCFP estimates that the proposed regulation will save the pool between \$1 million and \$2 million. The savings are minimal because they assume most hospital-sited primary care will shift to hospital-licensed health centers, which results in no net savings. They have no evidence regarding increased use of services by pool patients seen at hospital-based sites as compared to off-campus sites. Hence there will be little if any real savings.

- Most hospitals do very little on-site primary care. Approximately 15 hospitals have more than a 1000 visits. Of these, 4 have no health centers within 15 miles and will be unaffected by the regulations. Thus, 11 hospitals will be substantially affected by the regulation.

HCFA Position

The regulations will disrupt care for up to 100,000 people, but provide minimal savings to the pool. Moreover, little is known about the use of primary care at hospital sites. It makes sense, then, to postpone the regulations until we have data to show the impact of this change. Senator Moore is pursuing an amendment to the supplemental budget to delay impact of the critical access services requirement.

We will also be working with the administration to ameliorate the harsh impact of other regulatory changes on consumers.

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