MassHealth: The Basics
FACTS AND TRENDS

PREPARED BY
COMMONWEALTH MEDICINE
UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL

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MASSACHUSETTS FOUNDATION
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TABLE OF CONTENTS

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GLOSSARY OF ACRONYMS

ACA	Affordable Care Act
ACS	American Community Survey
ACO	Accountable Care Organization
ASAM	American Society of Addiction Medicine
CHIP	Children's Health Insurance Program
CP	Community Partner
CY	Calendar Year
DSRIP	Delivery System Reform Incentive Payment
FBR	Federal Benefit Rate
FFS	Fee-For-Service
FMAP	Federal Medical Assistance Percentage
FPL	Federal Poverty Level
FSP	Flexible Services Program
FY	Fiscal Year
HCBS	Home- and Community-Based Services
LTSS	Long-Term Services and Supports
MAT	Medication Assisted Treatment
MCO	Managed Care Organization
PACE	Program of All-Inclusive Care for the Elderly
PCA	Personal Care Attendant
PCC	Primary Care Clinician Plan
PMPM	Per Member Per Month
SCO	Senior Care Options
SFY	State Fiscal Year
SNAP	Supplemental Nutrition Assistance Program
SSI	Supplemental Security Income
SUD	Substance Use Disorder
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

MASSHEALTH OVERVIEW

MassHealth is Massachusetts' name for its Medicaid and Children's Health Insurance (CHIP) programs. MassHealth provides coverage for over 1.8 million members — more than a quarter of the state's residents — and has been the centerpiece of state health care reform. MassHealth is an important contributor to the state's high insured rate. Currently, more than 97% of Massachusetts residents are covered by health insurance.

MASSHEALTH BENEFITS

MassHealth serves as a safety net — the insurer of last resort — for some of the state's most disadvantaged residents and many with very complex health care needs. MassHealth covers low-income families for whom employer-sponsored coverage is unavailable or unaffordable, and people with physical, behavioral, and intellectual disabilities, among others. It offers assistance with premiums and co-payments and provides additional benefits to people who have another source of primary coverage, such as Medicare, an employer, or a student plan, but who are challenged by the cost of that coverage. During economic downturns, including the spike in unemployment caused by the current COVID-19 pandemic, MassHealth acts as a safety net for individuals who lose employer-sponsored health insurance. Access to MassHealth coupled with other health care reform has been associated with reductions in the uninsured rate, increases in preventive service utilization, and improvements in physical and mental health.

MassHealth benefits other stakeholders in the health care system. It pays health care providers (primary care physicians, community health centers, hospitals, nursing homes, and others) for treatments that would otherwise go uncompensated or would not be provided at all. It benefits employers by covering some of the highest-cost services for their employees and employees' dependents with disabilities. It brings billions of federal dollars to the state: the program is administered by the state but funded jointly by the state and federal governments. These federal funds help stretch dollars that the state spends for health care and long-term care for populations with a high level of need.

MASSHEALTH CHALLENGES

MassHealth spending has grown from $7.5 billion in 2007 to $16.5 billion in 2019, at a rate, adjusted for medical cost inflation, of less than 5% per year. After double-digit increases from 2013 to 2016, driven largely by increased enrollment from the Affordable Care Act's (ACA's) Medicaid expansion,* spending growth moderated from 2016 to 2019, with a medical-cost-inflation-adjusted rate of 1.8%.** Two fast-growing components of spending are long-term services and supports (LTSS) and pharmacy. Community-based LTSS (including home health services, personal care, and adult day health) exceeded $2 billion in 2017, reflecting a successful policy shift away from facility-based to community-based care. Rising drug prices continue to be a challenge.

MassHealth is now implementing a comprehensive strategy to manage costs, while also improving quality of care and the member experience, by better integrating services and basing payments on value rather than volume. Over 872,000 MassHealth members have been enrolled in new Accountable Care Organizations (ACOs), which began full operation in March 2018. Members may be eligible for additional supports from newly formed Behavioral Health Community Partners (CPs) or LTSS CPs. Some members may also be eligible for certain housing or nutritional supports through newly approved flexible services.

* MassHealth enrollment grew at this time both because of the ACA's eligibility expansion and also because of a technological issue with the state's eligibility system, which resulted in some people being enrolled in a temporary Medicaid program.

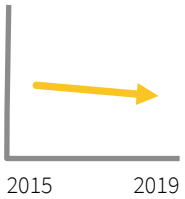
**Medical cost inflation is calculated using the consumer price index for medical care, which measures inflation of out-of-pocket medical care, including payments for health care goods, health care services, and health insurance premiums.

MassHealth: The Basics
KEY FINDINGS

ENROLLMENT

More than **1.8 million** members

41% of Massachusetts children are MassHealth members



Decreased enrollment for past 4 years (SFY 2015–2019). Enrollment may tick up as MassHealth steps in to cover people who lose their jobs and health insurance in the current economic downturn.

SPENDING

MassHealth spending is **shared by the state and federal governments**

Spending grew from 2016 to 2019 by 1.8% per year (adjusted for medical cost inflation)

Prescription drugs and **home- and community-based LTSS** are key cost drivers

INNOVATIONS

Half of MassHealth members are in **ACOs***

Efforts to improve **integration** of behavioral health, LTSS, and social services

Newly covered **substance use disorder services**

* Among managed care eligible members, over 75% are enrolled in ACOs.

MASSHEALTH PROVIDES COVERAGE SIMILAR TO COMMERCIAL INSURANCE, PLUS SOME ADDITIONAL BENEFITS

Typical Commercial Insurance Coverage

- Hospital services
- Physician services
- Well child visits
- Ancillary services (lab tests, radiology, etc.)
- Prescription drugs
- Mental health/substance use disorder treatment
- Vision, hearing, medical equipment

+

Additional Benefits

- Long-term services and supports (community- and facility-based)[1]
- Diversionary behavioral health services (to avert hospitalization)
- Enhanced mental health/substance use disorder treatment[2]
- Dental services
- Transportation to medical appointments[1]

= MassHealth

[1] LTSS and transportation to medical appointments are available to most but not all MassHealth members.

[2] See Massachusetts Division of Insurance, The Catalogue of Carrier Coverage of Inpatient, Outpatient and Community Behavioral Health Services (November 10, 2017), Excel sheet available at https://www.mass.gov/info-details/health-care-access-bureau.

MASSHEALTH IMPROVES ACCESS TO CARE AND HEALTH OUTCOMES

Massachusetts expanded MassHealth over the course of decades. These expansions have given researchers opportunities to study the effects of MassHealth on access to care and health outcomes.

In 1997, Massachusetts expanded MassHealth eligibility to more adults and children. Vehicles for expansion included an 1115 waiver approved in 1995 and state legislation (Chapter 203 of the Massachusetts Acts of 1996).

In 2006 a comprehensive package of reforms expanded MassHealth eligibility again. These reforms also made subsidized coverage available through the Health Connector (Massachusetts' state-based health insurance marketplace) and implemented insurance mandates for individuals and employers. Vehicles for expansion included a second extension of the 1115 waiver, approved in 2005, and state legislation (Chapter 58 of the Massachusetts Acts of 2006).

1997

IMPACTS:

- **A dramatic drop in the uninsured rate**, for both adults and children.[1]
- **MassHealth coverage rose 21% among individuals entering substance use disorder treatment programs.**[2]

2006

*IMPACTS OF **MASSHEALTH EXPANSION** ASSOCIATED WITH:*

- **A more than 5% drop in the uninsured rate among children eligible for MassHealth.**[3]

*IMPACTS OF **MASSHEALTH EXPANSION, IN COMBINATION WITH OTHER 2006 REFORMS,** ASSOCIATED WITH:*

- **A drop of 50%**, or almost 3 percentage points, **in the uninsured rate for all Massachusetts children.** [3]
- **Massachusetts becoming the state with the highest rate of insurance among all states.**[4]
- **Measurable improvements in physical and mental health for adults and children.**[4]
- **Increased use of preventive care for adults and children** (pap screening, cholesterol testing, colonoscopies, pediatric checkups).[4]

2018

*LOOKING AT THE MASSACHUSETTS POPULATION IN RECENT YEARS, **MASSHEALTH COVERAGE** IS ASSOCIATED WITH:*

- **Financial protection and increased affordability for health insurance and care.**[5]

[1] Zuckerman, S., Kenney, G.M., Dubay, L., Haley, J., & Holahan, J. (2001). Shifting Health Insurance Coverage, 1997–1999. *Health Affairs*, *20* (1).

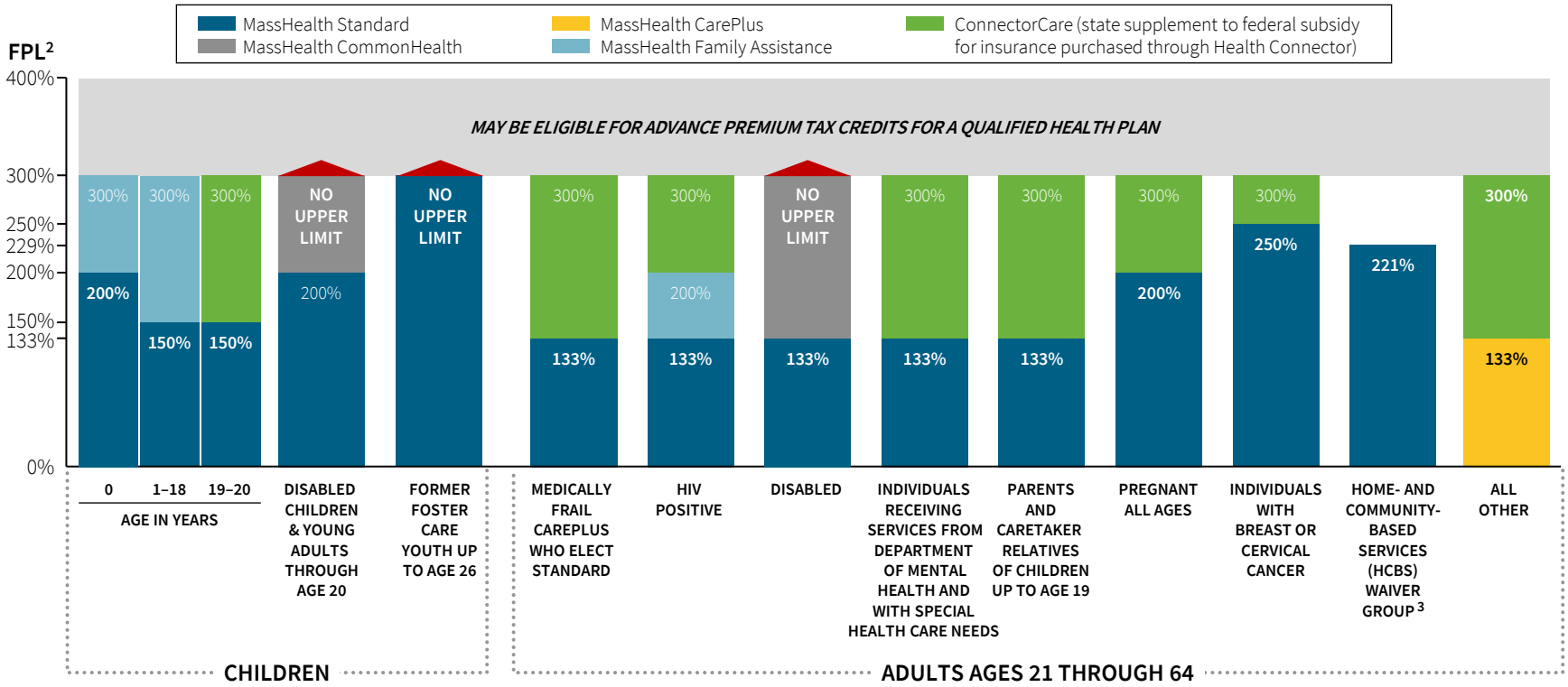
[2] Zur, J. & Moitabai, R. (2013). Medicaid Expansion Initiative in Massachusetts: Enrollment Among Substance-Abusing Homeless Adults. *AJPH, 103* (11).

[3] Kenney, G. M., Long, S. K., & Luque, A. (2010). Health reform in Massachusetts cut the uninsurance rate among children in half. *Health Affairs, 29* (6), 1242–1247.

[4] Love, K.A. & Seifert, R.W. (2016). 10 Years of Impact: a Literature Review of Chapter 58 of the Acts of 2006. *Blue Cross Blue Shield Foundation of Massachusetts;* Miller, S. (2012). The Impact of the Massachusetts Health Care Reform on Health Care Use among Children. *American Economic Review*, *102* (3).

[5] Long, S.K., Aarons, J. (2018). Massachusetts Health Reform Survey. *Blue Cross Blue Shield Foundation of Massachusetts*.

MASSHEALTH INCOME LIMITS VARY FOR DIFFERENT AGES AND ELIGIBILITY GROUPS[1]



[1] MassHealth eligibility includes nuances not included in this chart; MassHealth staff can help determine eligibility. Additional information can be found at https://www.mass.gov/service-details/masshealth-coverage-types-for-individuals-and-families-including-people-with.

[2] FPL = income as percent of federal poverty level; in 2020, 100% FPL for an individual was $12,760 annually.

[3] Eligibility for all Home- and Community-Based Waivers except one (the waiver for Young Children with Autism) is based on 300% of the Supplemental Security Income (SSI) Federal Benefit Rate (FBR). FBR is a metric used by the Social Security Administration and tied to the consumer price index. In 2020, 300% SSI FBR for an individual was $28,223 annually (221% FPL for an individual).

NOTES: MassHealth Limited, not shown in this chart, provides emergency health services to people who, under federal law, have an immigration status that keeps them from receiving more services. Income eligibility for this population is similar to MassHealth Standard: 200% FPL for pregnant women and children up to age 1; 150% FPL for children ages 1–20 years; 133% FPL for adults 21–64.

SOURCES: 130 C.M.R. §505; 130 C.M.R. §519; MassHealth (2019). Member Booklet for Health and Dental Coverage and Help Paying Costs.

ELIGIBILITY FOR SENIORS AGE 65 AND OLDER GENERALLY INCLUDES AN ASSET TEST AND LOWER INCOME THRESHOLDS; MOST SENIORS ALSO HAVE MEDICARE[1]

POPULATION	INCOME/ASSETS[2]	COVERAGE
Living in community, with or without Medicare eligibility, citizen or lawfully present immigrant	≤100% Federal Poverty Level (FPL) ≤$2,000 Assets	Comprehensive coverage through MassHealth Standard or Family Assistance (based on immigration status). For those with MassHealth Standard, MassHealth also pays their Medicare cost-sharing and premiums.
Living in community, certain noncitizens	≤100% FPL ≤$2,000 Assets	MassHealth Limited — Emergency services only.
Living in community, eligible for Medicare	≤130% FPL ≤$15,720 Assets	MassHealth Senior Buy-In — Covers Medicare premiums, co-pays, and deductibles. Does not cover other MassHealth Standard services.
Living in community, eligible for Medicare	>130% and <165% FPL ≤$15,720 Assets	MassHealth Buy-In — Covers Part B premiums only. People who meet a spend-down deductible may also qualify for MassHealth Standard.
Living in or waiting for facility-based long-term care	No specific income limit ≤$2,000 Assets	MassHealth Standard — Including LTSS. Member must pay income minus monthly allowances[3] toward nursing facility care.

[1] MassHealth eligibility includes nuances not included in this chart; for example, parents of minors and seniors who work have different eligibility requirements. MassHealth staff can help determine eligibility.

[2] Certain assets — home (in most cases), vehicle, life insurance up to $1,500, and funeral and burial expenses up to $1,500 — are excluded. In certain cases, asset spend-down is available. Income and asset considerations are based in part on federal law.

[3] Allowances include personal need allowance and spousal maintenance allowance, among others.

NOTES: Asset limits listed are for individuals; the amounts for couples are higher. Seniors (age 60 or older) can qualify for MassHealth through the Frail Elder Waiver with income up to 300% of the Supplemental Security Income (SSI) federal benefit rate (FBR) ($28,223 in 2020). Other Home- and Community-Based Services (HCBS) waivers are available as well. Seniors may also be eligible for ConnectorCare and Advance Premium Tax Credits for insurance purchased through the Health Connector.

SOURCES: 130 C.M.R. §519; MassHealth (2019). Senior Guide to Health Care Coverage, accessed at http://www.mass.gov/service-details/senior-guide-and-application-for-health-care-coverage.

THERE ARE MANY DOORS INTO MASSHEALTH

Individuals apply directly, by phone, on paper form, in person with assistance at a MassHealth Enrollment Center or Health Connector walk-in center, or through the Health Connector website, an integrated eligibility system that allows users to shop and apply for MassHealth and other health insurance programs. NOTE: As of the date of this publication, MassHealth Enrollment Centers and Health Connector walk-in centers are temporarily closed to walk-ins due to COVID-19

Health care providers assist patients with applications.

- Hospitals
- Community health centers
- Nursing homes
- Other providers

State agencies facilitate applications.

- Department of Developmental Services
- Department of Mental Health
- Massachusetts Rehabilitation Commission
- Department of Transitional Assistance
- Department of Children and Families
- Other agencies

Community organizations and advocacy groups provide health care referrals and access to MassHealth.

- My Ombudsman. This nonprofit organization answers questions, provides information, and works with health plans and MassHealth to ensure members can access their benefits.
- Community action programs
- Community development corporations
- Aging services access points
- Health Care For All
- Other community organizations designated as Enrollment Assisters

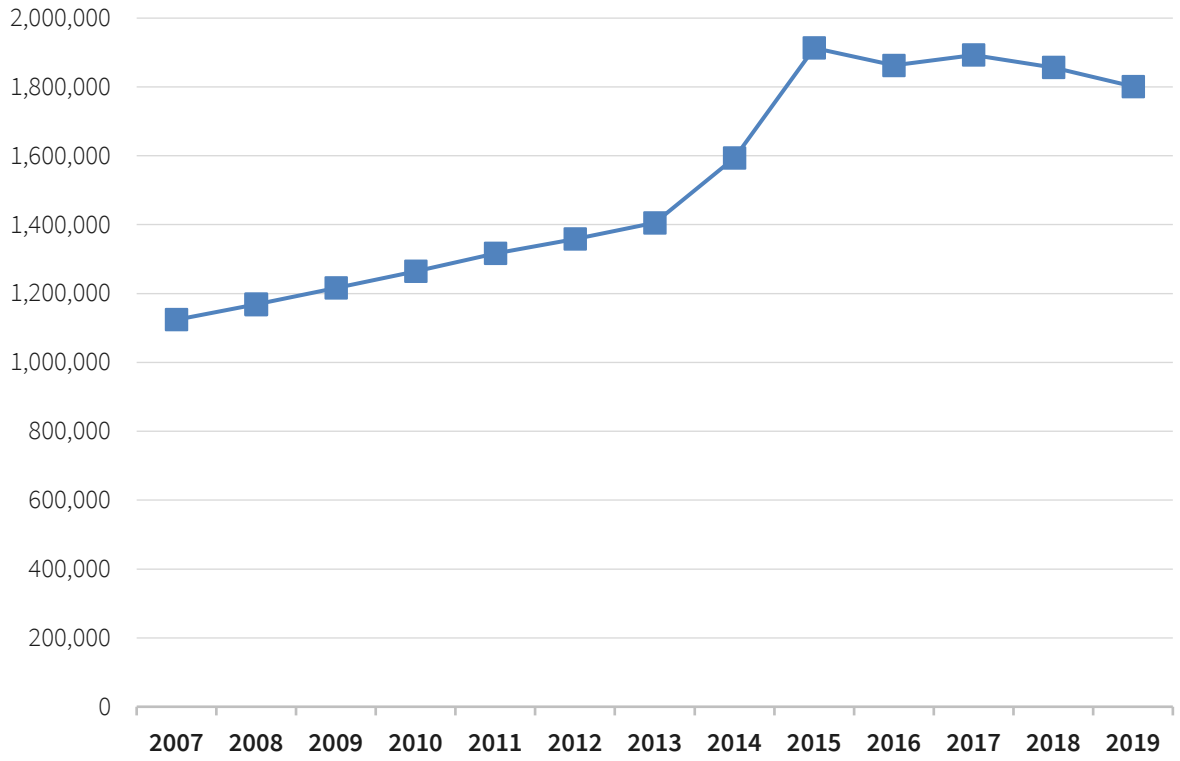
Appeals and Grievances

Typically, if an applicant disagrees with MassHealth's denial of coverage, the applicant can appeal the decision within 30 days using the Fair Hearing Request Form. Applicants and members can also file grievances at any point for any type of problem, including issues with the quality of care, waiting times, or customer service. In response to the COVID-19 pandemic, MassHealth has temporarily expanded the window for eligibility appeals. Through the end of the public health emergency, MassHealth members will have 120 days to request appeals for eligibility-related concerns. See slide 28 for more information on COVID-19–related changes to eligibility and services.

SOURCE: Section 1135 Waiver Flexibilities — Massachusetts Coronavirus Disease 2019 (March 26, 2020), accessed at https://www.medicaid.gov/state-resource-center/disaster-response-toolkit/federal-disaster-resources/entry/54066.

MASSHEALTH ENROLLMENT HAS DECREASED OVER THE PAST FOUR YEARS

TRENDS IN MASSHEALTH ENROLLMENT, STATE FISCAL YEARS (SFY) 2007–2019



* MassHealth enrollment grew at this time both because of the ACA's eligibility expansion and also because of a technological issue with the state's eligibility system, which resulted in some people being enrolled in a temporary Medicaid program.

SOURCES: MassHealth Budget Office. Uninsured rate information from the Massachusetts Center for Health Information and Analysis (2020). Findings from the 2019 Massachusetts Health Insurance Survey. Accessed at http://www.chiamass.gov/massachusetts-health-insurance-survey/ "Newly Unemployed Seek Health Insurance Amidst Pandemic", WBUR, https://www.wgbh.org/news/local-news/2020/04/15/newly-unemployed-seek-health-insurance-amidst-pandemic. BCBSMA Foundation, "MassHealth and ConnectorCare Enrollment Tracker," https://bluecrossmafoundation.org/publication/masshealth-and-connectorcare-enrollment-tracker.

MassHealth enrollment decreased 6% from 2015 to 2019, changing from almost 1.9 million members to just above 1.8 million members.

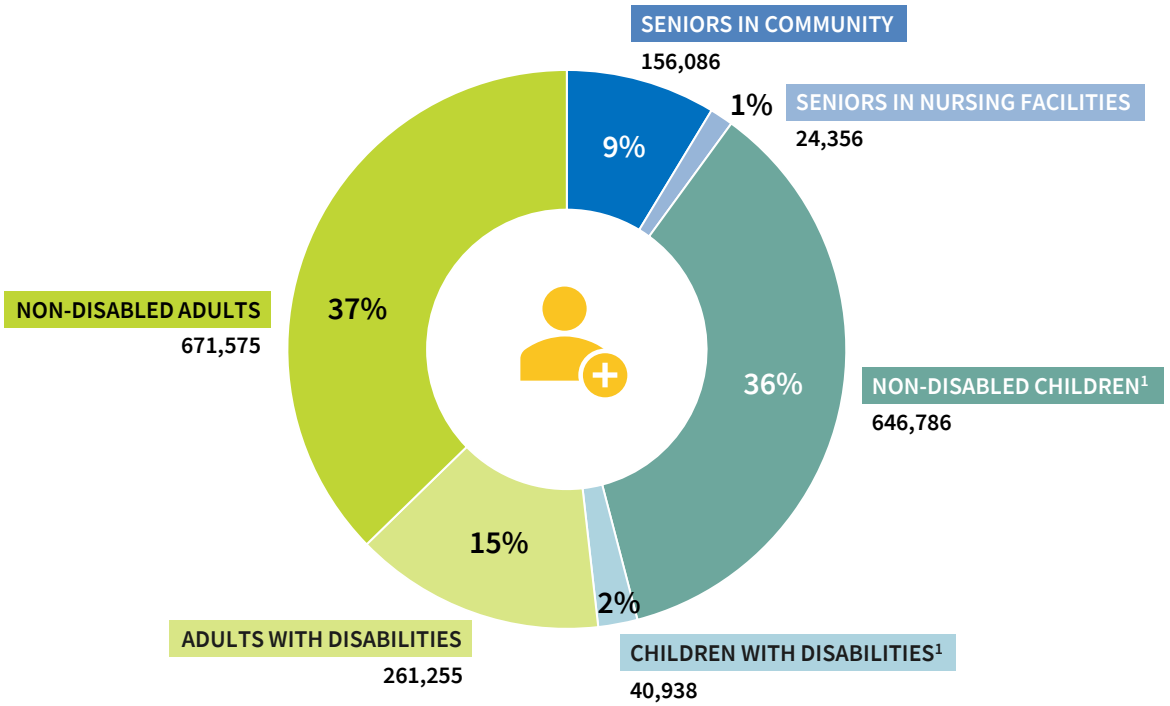
With employment losses as a result of the global COVID-19 pandemic, more Massachusetts residents are expected to lose their employer-sponsored insurance. This may result in an increase in MassHealth enrollment.

Before 2015, MassHealth enrollment grew steadily over the past decade, with large increases in 2014 and 2015 coinciding with ACA implementation.*

The high level of MassHealth participation contributes to Massachusetts' lowest-in-nation uninsured rate, which was 2.9% in 2019.

CHILDREN, SENIORS, AND PEOPLE WITH DISABILITIES MAKE UP OVER 60% OF THE MASSHEALTH POPULATION

PERCENT OF TOTAL MASSHEALTH ENROLLMENT (1.8 MILLION), SFY 2019



[1] Children defined as under age 21.

[2] In certain instances, MassHealth may be able to provide secondary coverage or supplemental coverage — in the form of additional or augmented covered services — in instances when a member has alternative insurance that may not provide coverage for certain needed services.

[3] Beginning in the academic year 2020–2021, MassHealth will no longer offer the MassHealth Student Health Insurance Plan Premium Assistance Program (SHIP PA), the program that offers to pay members' premiums and cost sharing for student health insurance.

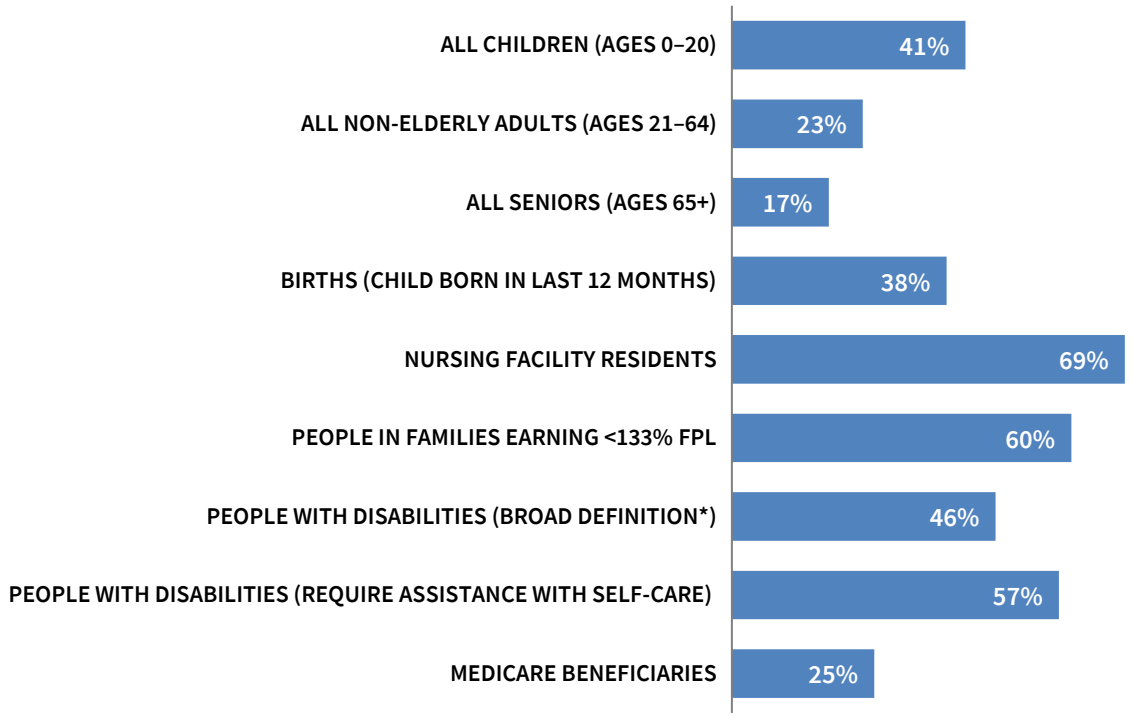
SOURCE: MassHealth Budget Office.

MassHealth members range from the very young to the very old. Children comprise 38% of MassHealth members. Adults with disabilities (under age 65) and children with disabilities represent 17% of membership. One out of 10 MassHealth members is age 65 or over. Most of these seniors also have Medicare coverage, and most live in non-facility settings in their communities.

Some MassHealth members (of all ages) have coverage through Medicare, an employer-sponsored plan, or student health insurance (this additional coverage is not shown in the chart). In those cases, MassHealth acts as secondary coverage.[2] In some circumstances, MassHealth also pays members' premiums and cost sharing for their employer-sponsored insurance, student health insurance,[3] or Medicare coverage.

MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH



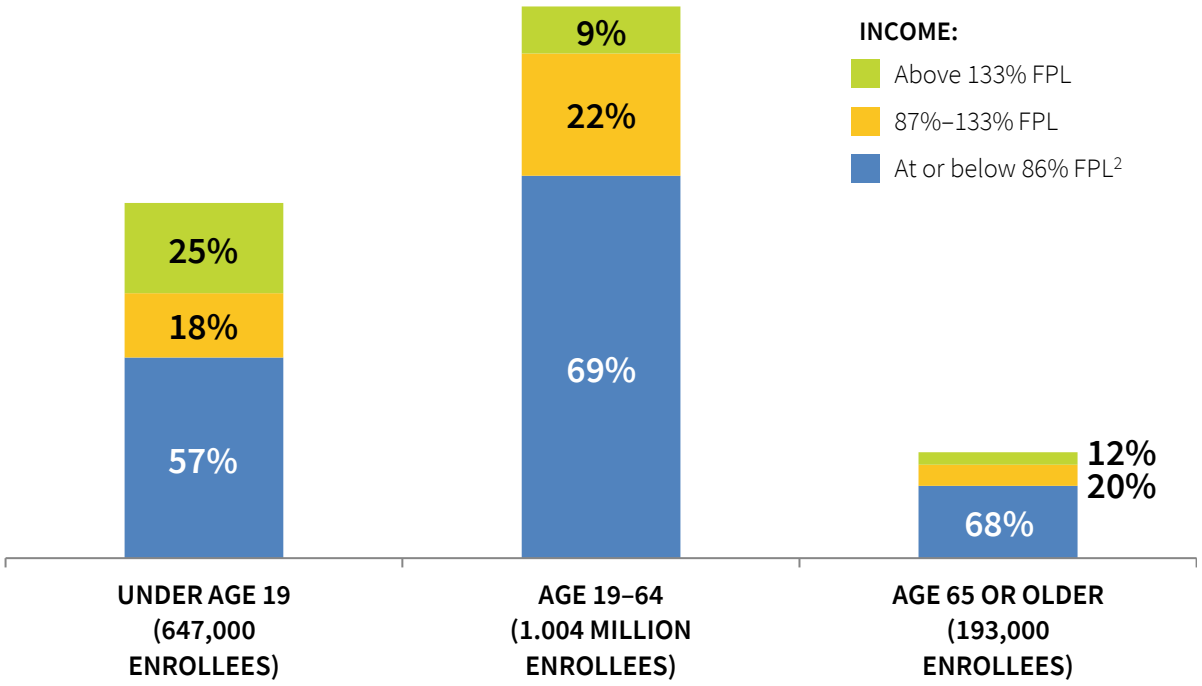
More than 4 in 10 children in Massachusetts and almost one-quarter of adults under age 65 are MassHealth members. MassHealth is an especially important source of coverage for people with low incomes and people with disabilities. About three-fifths of people with incomes below 133% of the federal poverty level (about $17,000 annually for a one-person household in 2020) and more than half all Massachusetts residents who need assistance with self-care receive coverage from MassHealth. Almost seven out of 10 nursing home residents are MassHealth members.

* Deaf or serious difficulty hearing; blind or serious difficulty seeing; cognitive, ambulatory, self-care, or independent living difficulty.

SOURCES: Authors' calculations using the 2014–2018 American Community Survey (ACS) 5-Year Estimates. Nursing facility data (2017) from Massachusetts Center for Health Information and Analysis. Baseline Report: Trends in the Massachusetts Nursing Facility Industry 2013–2017 November 2019), accessed at http://www.chiamass.gov/chia-publishes-first-report-on-the-massachusetts-nursing-facility-industry. Data for "all children," "all non-elderly adults," and "all seniors" calculated from ACS population data and data from MassHealth Budget Office.

ADULTS ENROLLED IN MASSHEALTH HAVE PARTICULARLY LOW INCOMES — MOST BELOW 86% FPL ($10,973 FOR AN INDIVIDUAL)

INCOME AS PERCENT OF FEDERAL POVERTY LEVEL (FPL) BY AGE GROUP FOR MASSHEALTH ENROLLEES[1]



- Nearly 70% of adults enrolled in MassHealth have an income below 86% FPL, which in 2020 corresponded to:
  - $10,973 for an individual
  - $14,826 for a family of 2
  - $18,679 for a family of 3
- Because children's eligibility extends farther up the income scale, a larger share of children enrolled in MassHealth live in families with incomes above the federal poverty level.

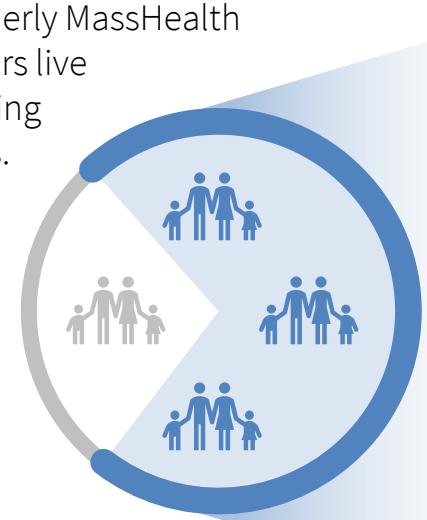
[1] Reflects individuals enrolled in MassHealth as of June 30, 2018. For consistency throughout the slide deck, example incomes are given for FY 2020.

[2] 86% FPL reflects an income eligibility limit that applied to certain MassHealth eligibility categories prior to expansions that have occurred over time. Most enrollees continue to have incomes below this level.

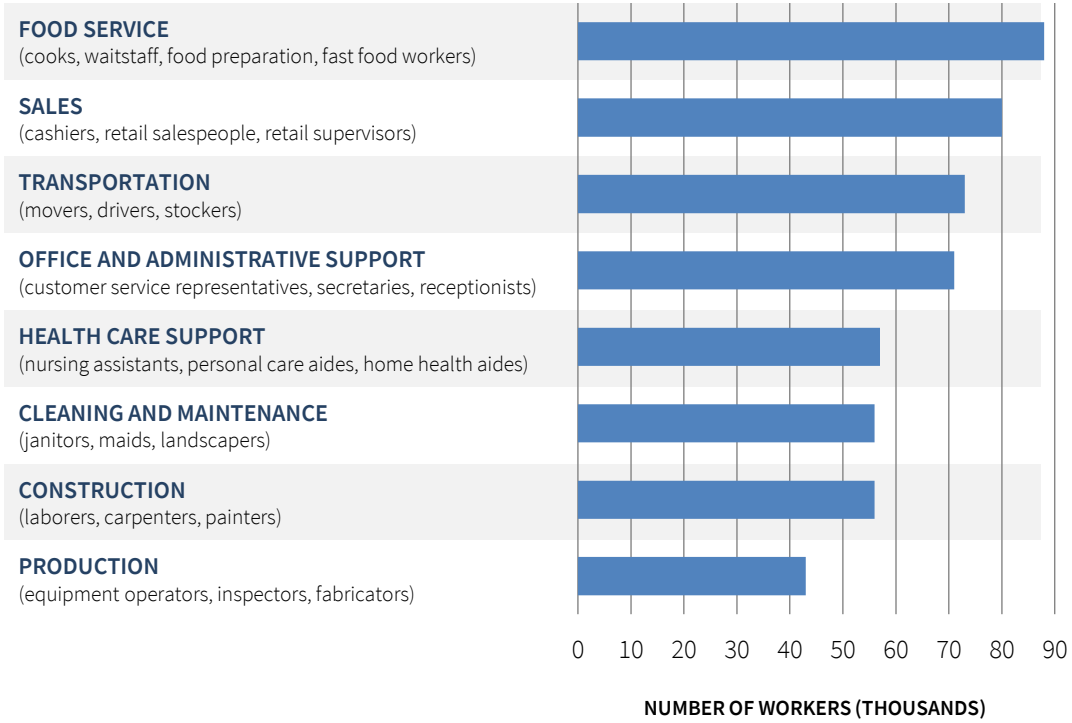
SOURCE: Manatt Health Strategies, LLC (2019). Faces of MassHealth: Portrait of a Diverse Population. *Blue Cross Blue Shield of Massachusetts Foundation.*

MASSHEALTH PLAYS A KEY ROLE IN SUPPORTING THE LOW-INCOME WORKFORCE

Almost **three quarters** of non-elderly MassHealth members live in working families.



MassHealth provides health insurance coverage to low-income workers across a **wide range of industries**:



SOURCES: Authors' calculations using the American Community Survey (ACS) 2018 1-Year Public Use Microdata Samples.
NOTE: This slide reflects pre-COVID-19 workforce data.
Kaiser Family Foundation. Distribution of the Nonelderly with Medicaid by Family Work Status. Accessed at www.kff.org/medicaid/state-indicator/distribution-by-employment-status-4/?currentTimeframe=0&selectedRows={"states":{"massachusetts":{}}}&sortModel={"colId":"Location","sort":"asc"}.

MASSHEALTH HAS DESIGNED DIFFERENT DELIVERY SYSTEMS TAILORED TO THE NEEDS OF ITS DIFFERENT POPULATIONS

MANAGED CARE PROGRAM[1]	POPULATIONS SERVED	COVERED SERVICES
Accountable Care Partnership Plans and Primary Care ACOs (Model A and Model B ACOs)	MassHealth Standard, Family Assistance, CommonHealth, and CarePlus members under age 65	Medical and behavioral health services are covered through alternative payment methods to the ACO (which vary by model and risk track). LTSS and dental benefits are not included through ACOs but are available through MassHealth fee-for-service payments.[2]
Managed Care Organizations (MCO) and MCO-Administered ACOs (Model C ACO)[3]	MassHealth Standard, Family Assistance, CommonHealth, and CarePlus members under age 65	Medical and behavioral health services are covered through a capitated payment[4] to MCOs. LTSS and dental benefits are not included in the MCO benefit but are available through MassHealth fee-for-service. MCOs can subcontract with MCO-administered ACOs using alternative payment methods.
Primary Care Clinician (PCC) Plan	MassHealth Standard, Family Assistance, and CarePlus members under age 65	Medical services are paid fee-for-service and are managed by a primary care clinician. Behavioral health services are covered by a capitated payment to a behavioral health plan. Dental and LTSS benefits are available and paid fee-for-service.
One Care	Ages 21–64 with MassHealth and Medicare coverage	Full spectrum of services, including LTSS, dental, and behavioral health, covered through a capitated payment to a single health plan.
Program of All-Inclusive Care for the Elderly (PACE)	Ages 55+; must meet clinical eligibility for nursing facility level of care	Full spectrum of services, including LTSS, dental, and behavioral health, covered through capitated payment to a single provider. Care is integrated via an interdisciplinary care team, with many services provided at an adult day health center.
Senior Care Options (SCO)	Ages 65+ most of whom also have Medicare coverage	Full spectrum of services covered through a capitated payment to a single health plan (includes LTSS, dental, behavioral health).

[1] For more information on each of these programs, please see these educational materials developed by MassHealth: MassHealth Health Plan Information (ACOs, MCOs, and the PCC Plan), Enrolling and Receiving Care Under Senior Care Options (SCO), One Care website, PACE website. Please also see BCBSMA Foundation, "What to Know About ACOs: The Latest on MassHealth Accountable Care Organizations", https://www.bluecrossmafoundation.org/publication/what-know-about-acos-latest-masshealth-accountable-care-organizations.

[2] Fee-for-service (FFS) payment: A payment made to providers for each service delivered.

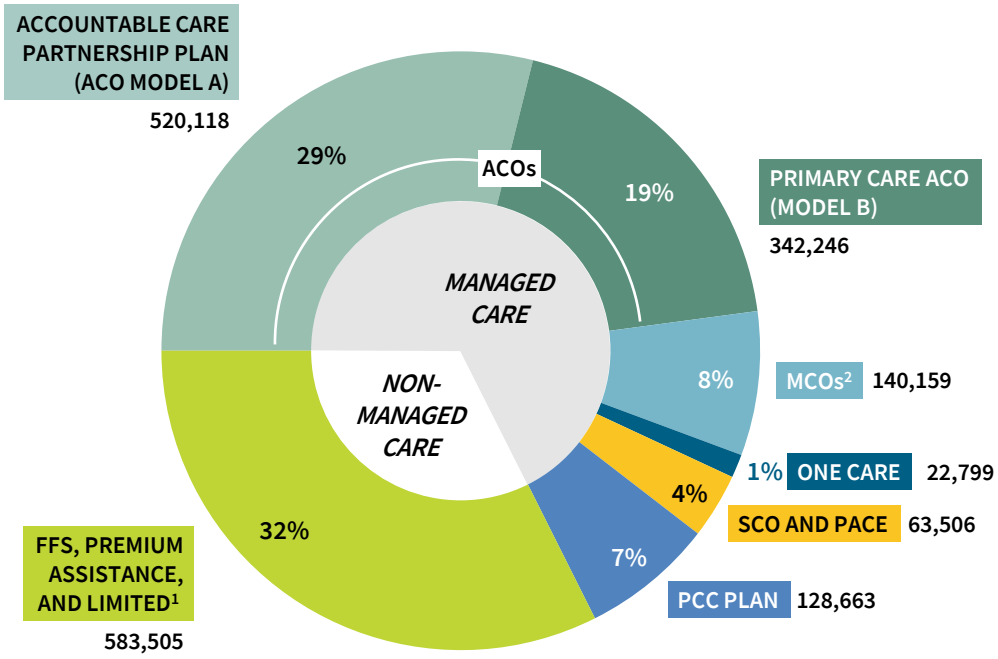
[3] An MCO may contract with an MCO-administered ACO.

[4] Capitated payment: A monthly payment to a health plan for each enrollee. In return, the health plan must provide or arrange for all medically necessary covered services.

SOURCES: 130 C.M.R . §450; 130 C.M.R §508.

AMONG MASSHEALTH MEMBERS, 70% ARE ENROLLED IN MANAGED CARE, WITH HALF OF MEMBERS IN ACOs

MASSHEALTH ENROLLMENT BY PAYER TYPE, SFY 2019



[1] Premium assistance recipients include members who receive premium subsidies from MassHealth for employer-sponsored health insurance. MassHealth Limited provides coverage for emergency medical services for 152,473 noncitizens.

[2] The MCO population includes members who are also enrolled in an MCO-administered ACO (Model C) (about 10,000 members).

SOURCE: MassHealth Budget Office.

MassHealth members are enrolled in several varieties of managed care. Members under age 65 can enroll in a MassHealth-contracted Accountable Care Organization (ACO), a MassHealth-contracted Managed Care Organization (MCO) (with the option of an MCO-administered ACO), or the MassHealth-administered Primary Care Clinician (PCC) Plan. Members with disabilities under 65 who have MassHealth and Medicare can enroll in One Care.

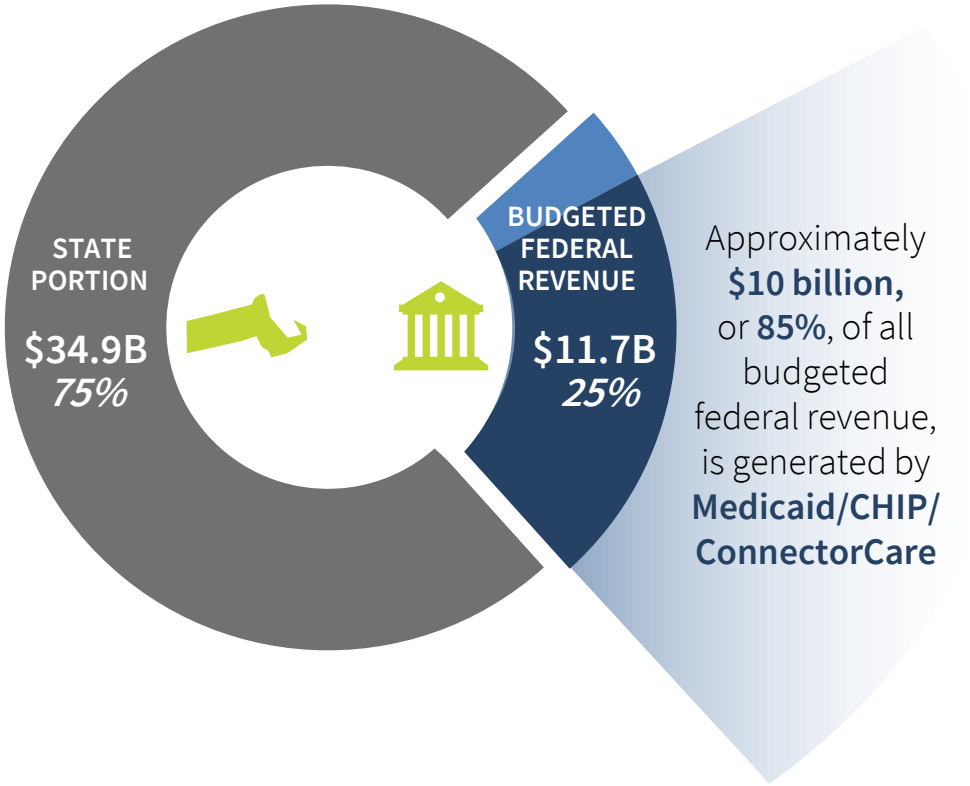
Following the full implementation of the MassHealth ACO program in March 2018, almost half of MassHealth members are now enrolled in an ACO.

Seniors may enroll in Senior Care Options (SCO) or, if they have significant disabilities, in the Program of All-Inclusive Care for the Elderly (PACE, available for members age 55 and older).

Members not in managed care are in fee-for-service (FFS) plans. They include members with Medicare not enrolled in One Care, SCO, or PACE; people with other coverage as primary (e.g., employer-sponsored insurance); people who live in an institution; and people with limited coverage due to their immigration status.

THE MAIN SOURCE OF FEDERAL REVENUES TO MASSACHUSETTS IS MASSHEALTH

SFY 2019 MASSACHUSETTS STATE BUDGET ($46.6 BILLION)



NOTE: Medicaid in this context includes MassHealth, Commonwealth Care (prior to 2014), and ConnectorCare premium and cost-sharing subsidies (post-2014); additional MassHealth 1115 waiver spending; and spending on some programs and facilities that serve people eligible for MassHealth and are administered by the Departments of Developmental Services, Mental Health, and Public Health, and the Massachusetts Rehabilitation Commission.

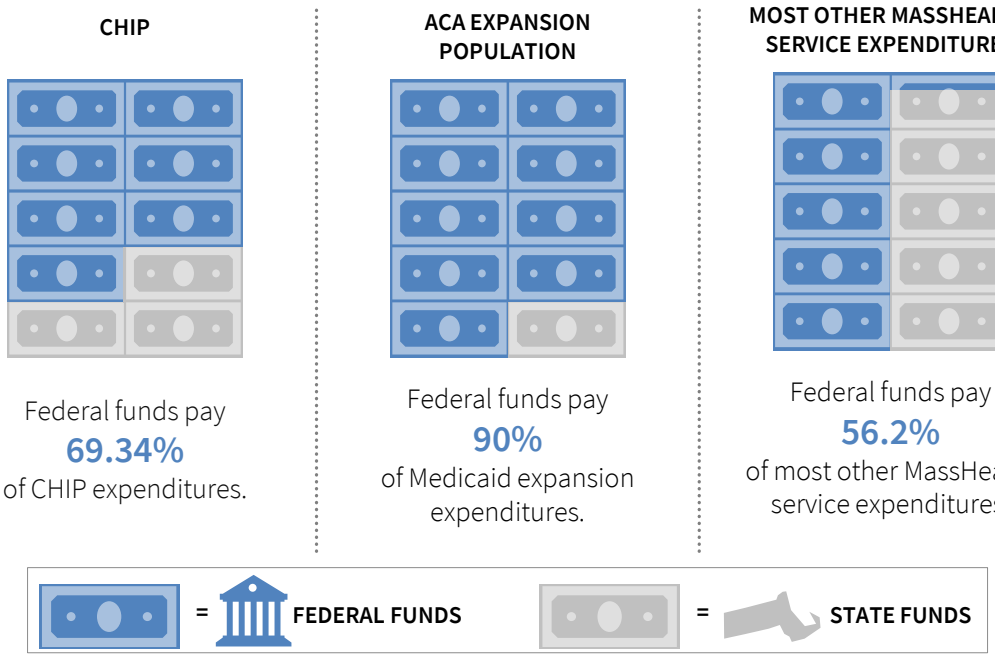
SOURCE: Massachusetts Budget and Policy Center.

Federal revenues supply about one-quarter of the funding for the state budget, and about 85% of that revenue is generated by Medicaid and CHIP expenditures.

In SFY 2019, the federal government reimbursed the Commonwealth for 50% of most Medicaid expenditures and 88% of CHIP expenditures. Members made eligible under the ACA Medicaid expansion drew an even higher federal match; the federal government reimbursed the Commonwealth for 90% of Medicaid expenditures for this population in Calendar Year (CY) 2020.

EVERY DOLLAR IN MASSHEALTH SPENDING IS REIMBURSED BY AT LEAST 50 CENTS IN FEDERAL REVENUE TO THE STATE

FEDERAL AND STATE SHARES OF MASSHEALTH EXPENDITURES, OCTOBER 2020



The federal government reimburses Massachusetts for a portion of MassHealth spending. Currently, the federal government reimburses Massachusetts for:

- 69.34% of its CHIP spending;
- 90% of its spending on the ACA expansion population; and
- 56.2% of other MassHealth service expenditure

Federal legislation passed in response to COVID-19 temporarily increased both the CHIP federal matching assistance percentage and the federal matching assistance percentage for most other MassHealth service expenditures. These rates are set to decrease when the federally-declared public health emergency ends.

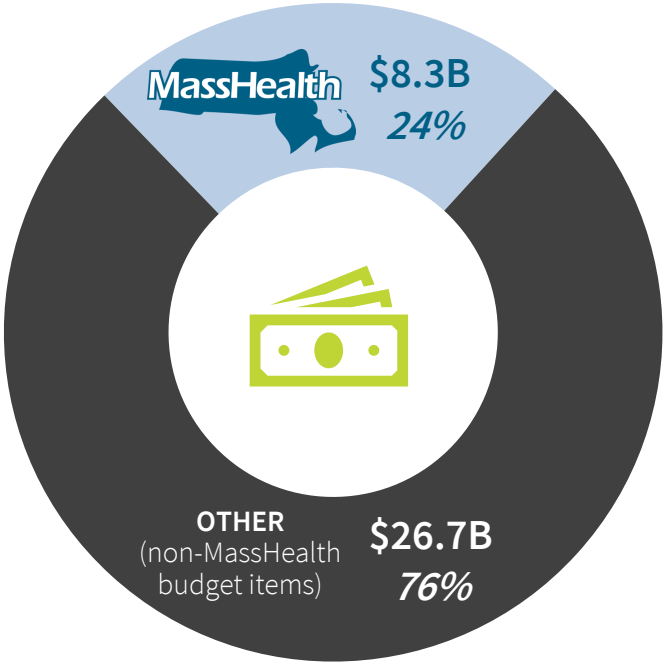
[1] The CHIP federal matching assistance percentage is currently 69.34%. When the federally-declared public health emergency ends, the matching assistance will decrease.

[2] Federal Medical Assistance Percentages (FMAP) for the ACA expansion population decreased from 93% to 90% in CY 2020. FMAP for the ACA expansion population is not affected by the temporary FMAP bump in the Families First Coronavirus Response Act.

SOURCES: U.S. Department of Health and Human Services. Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children's Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2020 Through September 30, 2021 (Notice). 84 Fed. Reg. 66204 (December 3, 2019). Kaiser Family Foundation. State Health Facts, Enhanced Federal Medical Assistance Percentage (FMAP) for CHIP. Kaiser Family Foundation. State Health Facts, Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier. Mitchell, A., Congressional Research Service (2018). Medicaid's Federal Medical Assistance Percentage (FMAP). CMS. Families First Coronavirus Response Act — Increased FMAP FAQs https://www.medicaid.gov/state-resource-center/downloads/covid-19-section-6008-faqs.pdf.

TO UNDERSTAND THE TRUE COST OF MASSHEALTH TO THE STATE, IT IS INSTRUCTIVE TO LOOK AT THE STATE SPENDING NET OF FEDERAL REVENUES

SFY 2019 MASSACHUSETTS TOTAL STATE SPENDING NET OF FEDERAL REVENUES ($35 BILLION)



Massachusetts's state fiscal year (SFY) 2019 budget is approximately $46.6 billion, of which about one-quarter was supplied by federal revenues. Medicaid/CHIP generated the vast majority (85%) of those federal revenues (see slide 17.) To understand the true cost of MassHealth to the state, it is instructive to look at the state spending net of federal revenues; this net state budget totaled $35 billion in SFY 2019. The state's share of MassHealth costs is approximately 24% of the state budget net of federal revenues.

From SFY 2016 to SFY 2019, other state budget amounts increased by an average of 2.7% per year, while the MassHealth budget increased by an average of 3.8% per year *(not shown in charts).**

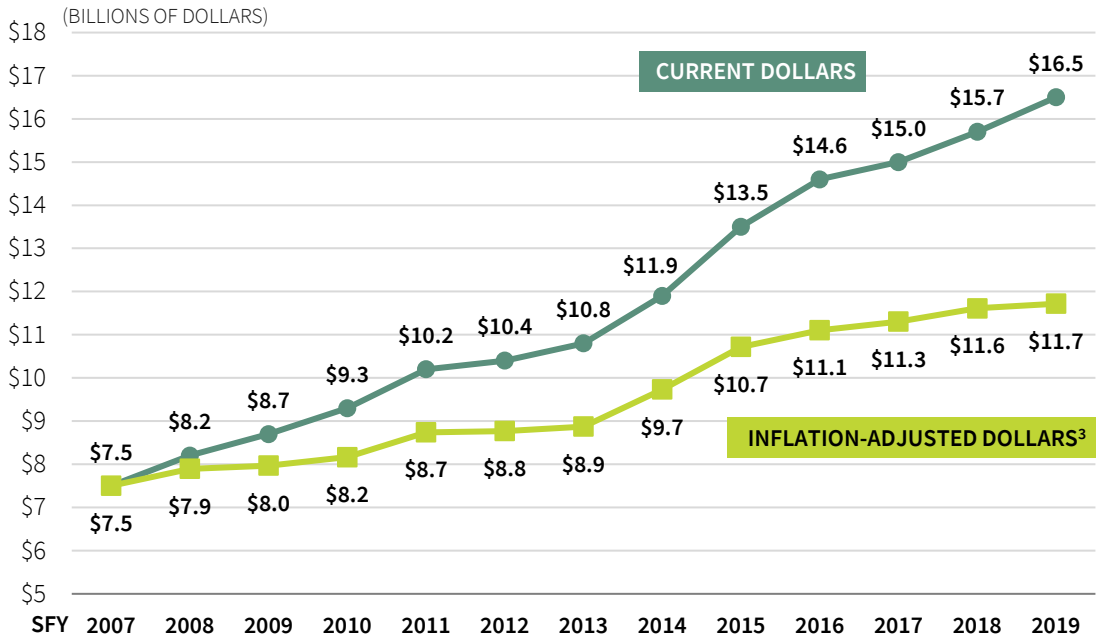
*Information based on data provided by Massachusetts Budget and Policy Center staff.

SOURCES: Massachusetts Budget and Policy Center (2019). What is the Actual State Cost of MassHealth in 2019? *Blue Cross Blue Shield of Massachusetts Foundation.* Accessed at https://www.bluecrossmafoundation.org/publication/what-actual-state-cost-masshealth-2019.

See also Massachusetts Budget and Policy Center (2017). What is the Actual Cost of MassHealth in 2018? Accessed at http://massbudget.org/report_window.php?loc=What-Is-the-Actual-State-Cost-of-MassHealth-in-2018.html.

WHEN ADJUSTED FOR MEDICAL COST INFLATION, MASSHEALTH SPENDING HAS MODERATED IN RECENT YEARS

MASSHEALTH TOTAL PROGRAMMATIC SPENDING, SFY 2007–2019



[1] Medical cost inflation refers to the consumer price index specifically for medical care.

[2] Please note that this slide contains actual programmatic spending data while the previous slide contains projected budget/revenue data.

[3] Inflation adjustment uses the Medical Consumer Price Index for the Boston area, from the U.S. Bureau of Labor Statistics. This analysis reflects gross spending amounts, including both state and federal revenues. The spending amounts include claim and capitation payments for medical benefits provided by MassHealth, and do not include the cost of Medicare or commercial premiums, Medicaid-reimbursable services from other state agencies, administrative spending, or risk corridor payments to managed care plans, or supplemental payments to providers.

SOURCES: MassHealth Budget Office. Massachusetts Health Policy Commission (2020). 2019 Annual Health Care Cost Trends Report. Accessed at https://www.mass.gov/service-details/annual-cost-trends-report.

MassHealth program spending has more than doubled in 12 years, from $7.5 billion in state fiscal year (SFY) 2007 to $16.5 billion in SFY 2019. When adjusted for medical cost inflation[1], the average annual increase from SFY 2007 to SFY 2019 was less than 5%.

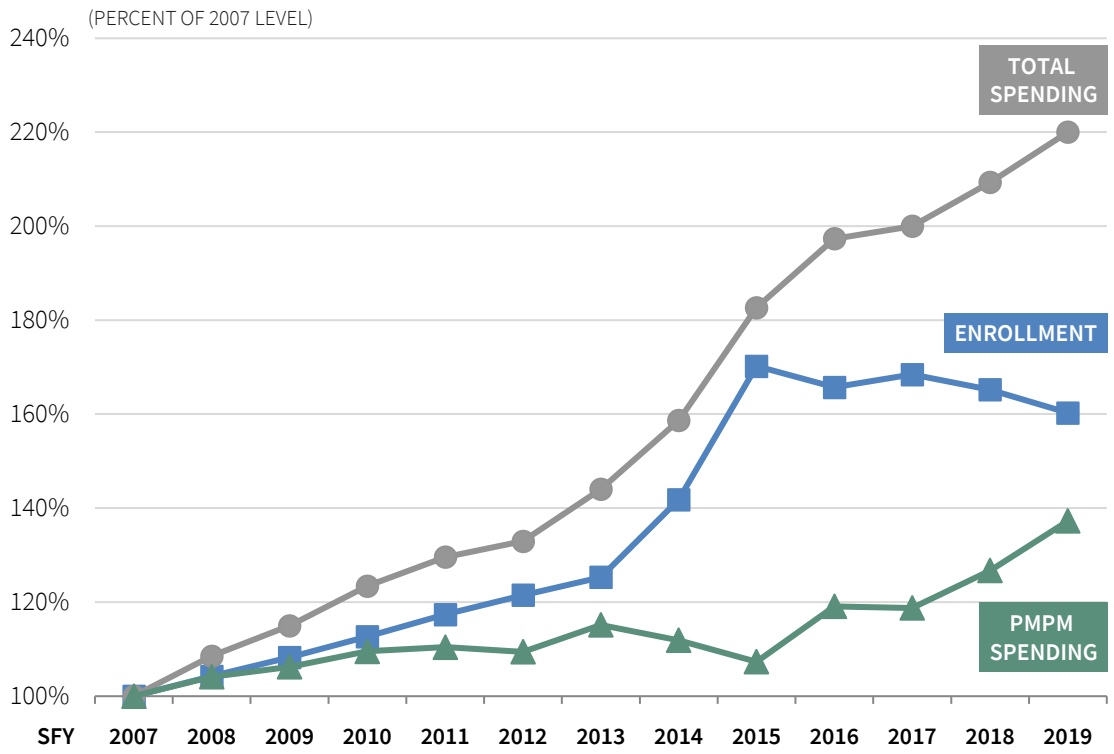
When adjusted for medical cost inflation, the most significant annual increases in spending occurred from SFY 2013 to SFY 2016 (9.7% from SFY 2013-14, 11.8% from SFY 2014-15, and 13.0% from SFY 2015-16). Most of that growth is attributable to enrollment increases resulting from the ACA expansion.

From SFY 2016 to SFY 2019, the pace of spending growth moderated as enrollment leveled off post-ACA implementation, with an average annual increase of 1.8% (adjusted for medical cost inflation).[2]

The data included here represents all MassHealth members. A separate analysis by the state Health Policy Commission focused on MassHealth members in the Primary Care Clinician plan, Accountable Care Organizations, and Managed Care Organizations (and did not include members in fee-for-service, SCO, and One Care) found that MassHealth total spending increased by 0.8% among such enrollees from SFY 2017 to SFY 2018.

AS MASSHEALTH ENROLLMENT DECREASED IN RECENT YEARS, GROWTH IN PMPM COSTS DROVE SPENDING GROWTH

GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT, AND PER MEMBER PER MONTH (PMPM) COSTS* AS COMPARED TO 2007 (SFY 2007 = 100%)



Until 2015, the main driver of MassHealth spending growth was the increasing number of MassHealth members. As enrollment decreased from 2015 to 2019 and spending increased, per member per month (PMPM) spending increased.

PMPM spending, not adjusted for inflation, grew on average 3% per year from SFYs 2007 through 2019.

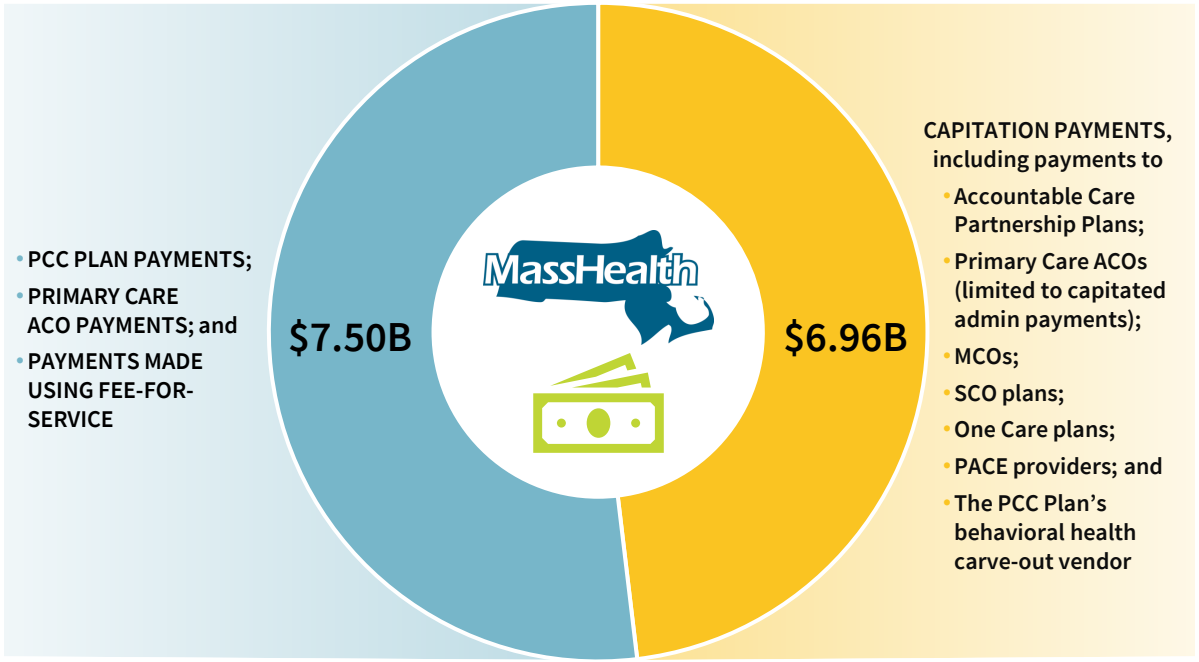
NOTE: The data on this slide reflect pre-COVID-19 MassHealth enrollment and costs. Recent surges in unemployment caused by COVID-19 and the associated economic downturn, may lead to increases in MassHealth enrollment. It is not yet clear how this potential increase in enrollment, and the COVID-19 pandemic overall, will affect total MassHealth spending or PMPM costs.

*These data include enrollment and spending associated with the temporary Medicaid program that was initiated in 2014.

SOURCES: MassHealth Budget Office (total date of service spending and enrollment) and authors' calculations.

NEARLY HALF OF MASSHEALTH SPENDING IN STATE FISCAL YEAR 2019 WAS ON CAPITATION PAYMENTS

TOTAL MASSHEALTH SPENDING = $14.46 BILLION, SFY 2019



[1] Unlike totals shown on earlier slides, this total does not include spending on Medicare premiums. The figures also do not include Medicaid-reimbursable services from other state agencies, administrative spending, or supplemental payments to hospitals.

[2] SFY 2013–2016 are the latest years data is available.

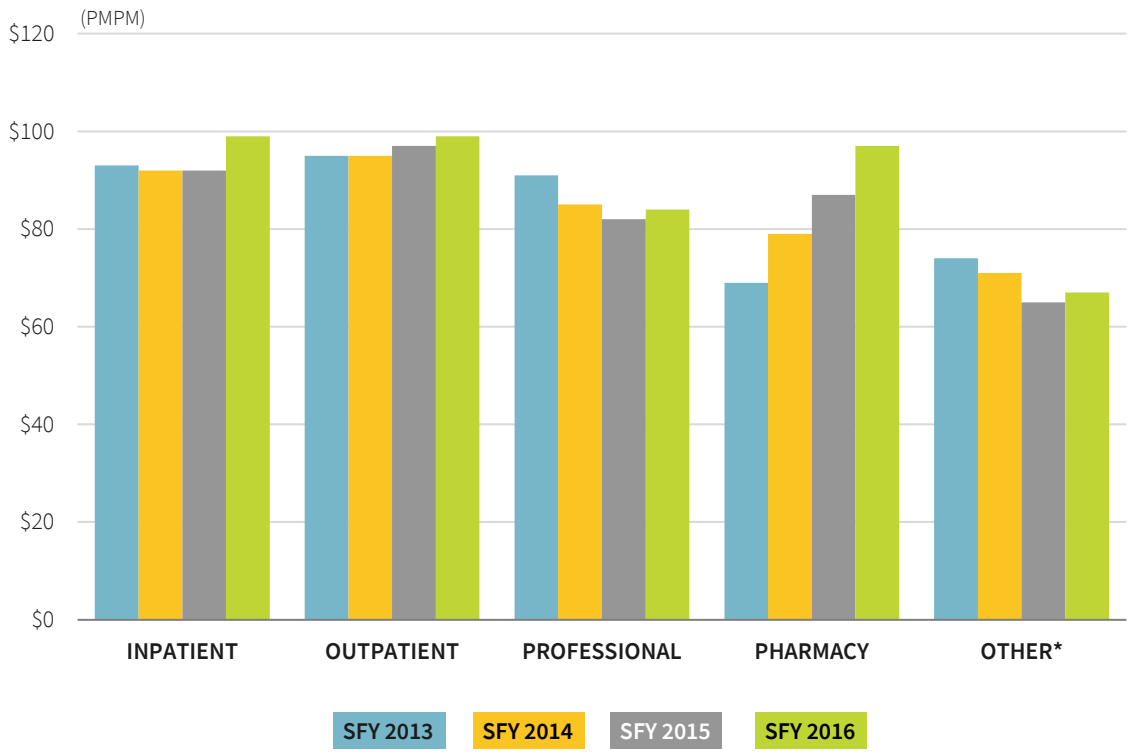
SOURCE: MassHealth Budget Office.

MassHealth spent $14.46 billion[1] on services for its members in SFY 2019. Nearly half of that spending ($6.96 billion) was capitation payments to ACOs, MCOs, the PCC Plan's behavioral health carve-out vendor, SCO plans, One Care plans, and PACE providers. In SFY 2019, approximately 70% of MassHealth members were enrolled in one of these managed care arrangements. Breakdowns of MCO and PCC spending by service for SFY 2013 to SFY 2016 are shown on the following slides.[2]

For members in managed care plans, some services are paid for under fee-for-service arrangements, including the majority of LTSS provided to managed care members. As a result, the majority of fee-for-service payments went to LTSS and nursing facilities.

WITHIN MCO CAPITATION, PMPM PHARMACY SPENDING GREW FASTER THAN SPENDING ON ANY OTHER SERVICES FROM 2013–2016

MASSHEALTH MCO PMPM SPENDING TRENDS BY CATEGORY OF SERVICE, SFY 2013–2016



*Includes dental, home health, community health, long-term care, and "non-claim" costs.

SOURCE: Boozang, P., et al. (2018). Addressing Major Drivers of MassHealth Per-Enrollee Spending Growth: An Analytic Review and Policy Options. *Blue Cross Blue Shield Foundation of Massachusetts*. This chart does not include spending for SCO, One Care, PACE, or the PCC Plan's behavioral health carve-out vendor.

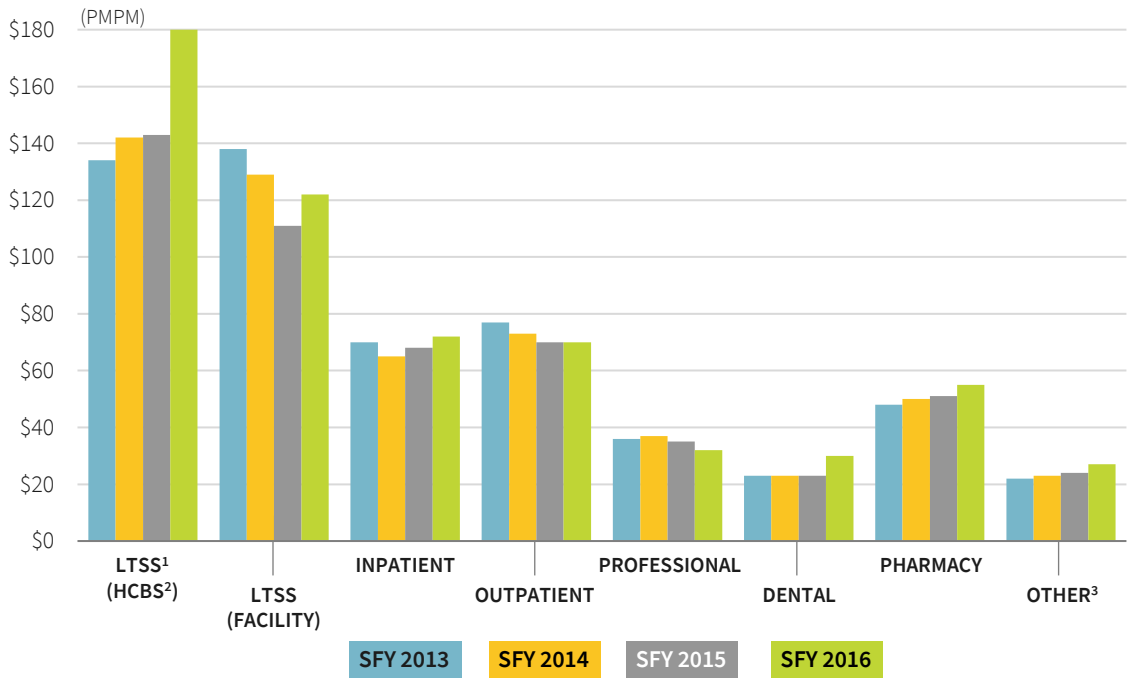
Among categories of per member per month (PMPM) spending on services provided under the MassHealth MCO capitation, pharmacy spending grew the fastest from SFY 2013–2016 (the most recent years that data is available). MassHealth MCO PMPM pharmacy spending rose 41% from SFY 2013 to SFY 2016, from $69 to $97. During the same time period, pharmacy spending for fee-for-service and in the PCC Plan rose 21% (see next slide).

Meanwhile, pharmacy spending was rising nationwide, in part because of high-cost drugs such as the medication for hepatitis C.

Massachusetts is implementing approaches to moderate spending growth, including holding ACOs accountable for pharmacy spending and giving the state new authority to negotiate supplemental rebates.

OUTSIDE OF CAPITATION, PMPM SPENDING ON HCBS LTSS GREW FASTER THAN OTHER SERVICES FROM 2013–2016

MASSHEALTH PCC PLAN/FFS SPENDING TRENDS BY CATEGORY OF SERVICE, SFY 2013–2016



[1] Much of the increase in LTSS spending was driven by home health services, for which MassHealth implemented a moratorium on new providers in 2016.

[2] Refers to home- and community-based services.

[3] Includes transportation and durable medical equipment.

[4] The Balancing Incentives Program, created by the Affordable Care Act, offers states enhanced federal funding for LTSS if they meet certain conditions around improving access to HCBS LTSS.

SOURCES: Boozang, P., et al. (2018). Addressing Major Drivers of MassHealth Per-Enrollee Spending Growth: An Analytic Review and Policy Options. *Blue Cross Blue Shield Foundation of Massachusetts.* Eiken, S., et al. (2018). Medicaid Expenditures for Long-Term Services and Supports in FY 2016.

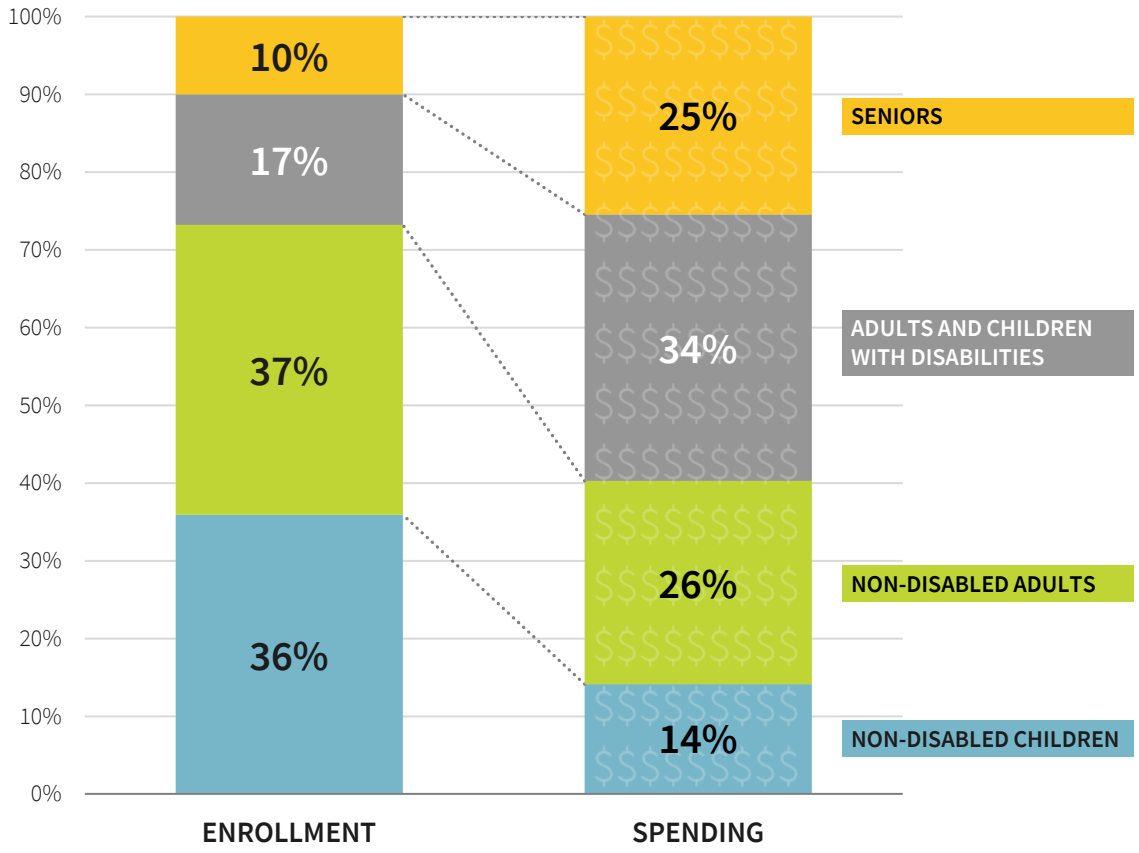
For services paid fee-for-service (FFS) or through the Primary Care Clinician (PCC) Plan, per member per month spending grew fastest for home- and community-based long-term services and supports (HCBS LTSS) over SFY 2013–2016 (the most recent years that data is available). This increase in HCBS LTSS costs has several drivers, including Massachusetts' aging population, and a deliberate strategy by the state to enable more people to get LTSS in their homes and communities so they can stay out of more expensive institutional settings.

HCBS LTSS includes home health services, personal care, and adult day health care, whereas facility-based LTSS includes nursing facility spending. Because MCOs do not cover most LTSS, most of the spending is in FFS and the PCC Plan. In other words, MassHealth members enrolled in MCOs still received LTSS paid for via FFS.

During FY 2016, Massachusetts ranked fourth highest among the states for percentage of Medicaid HCBS LTSS spending. As a result of changing its facility/HCBS spending mix toward care in the community, Massachusetts received enhanced federal matching funds through the federal Balancing Incentives Program.[4] The state is exploring approaches to moderate LTSS spending growth, including managed LTSS.

MOST MASSHEALTH DOLLARS ARE SPENT ON SERVICES FOR A MINORITY OF MEMBERS

DISTRIBUTION OF MASSHEALTH ENROLLMENT AND SPENDING BY VARIOUS POPULATIONS, SFY 2019

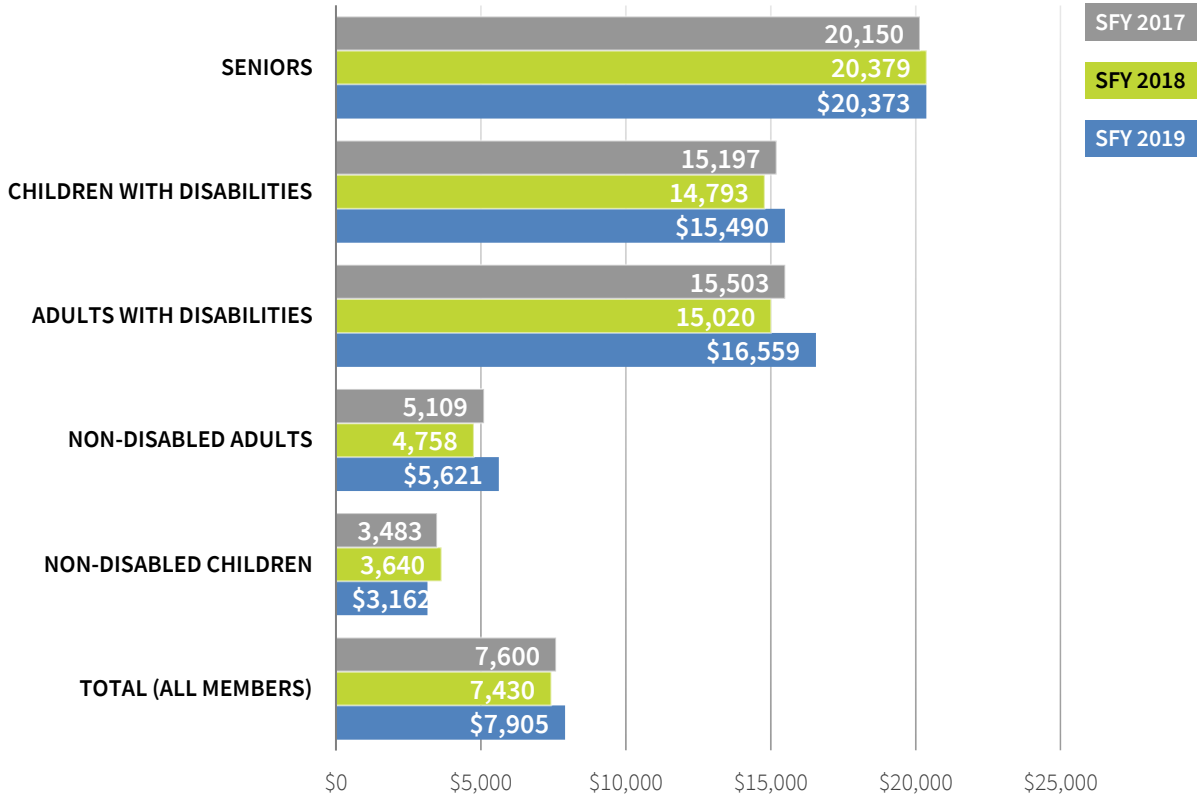


SOURCE: MassHealth Budget Office.

MassHealth spending is not spread evenly across the various categories of members. Approximately 60% of spending in SFY 2019 was for services to people with disabilities and seniors. These groups make up a little over one-quarter (27%) of the MassHealth membership.

MASSHEALTH SPENDING INCREASED MOST FOR SENIORS AND ADULTS WITH DISABILITIES, SFY 2017–2019

MASSHEALTH PAYMENTS PER MEMBER PER YEAR, SFY 2017–2019



SOURCE: Calculations based on total spending and member months from the MassHealth Budget Office.
Based on date of service spending. Excludes spending and enrollment for the Temporary Medicaid category.

Over SFY 2017–2019, per member spending, not adjusted for inflation, increased about 6%.

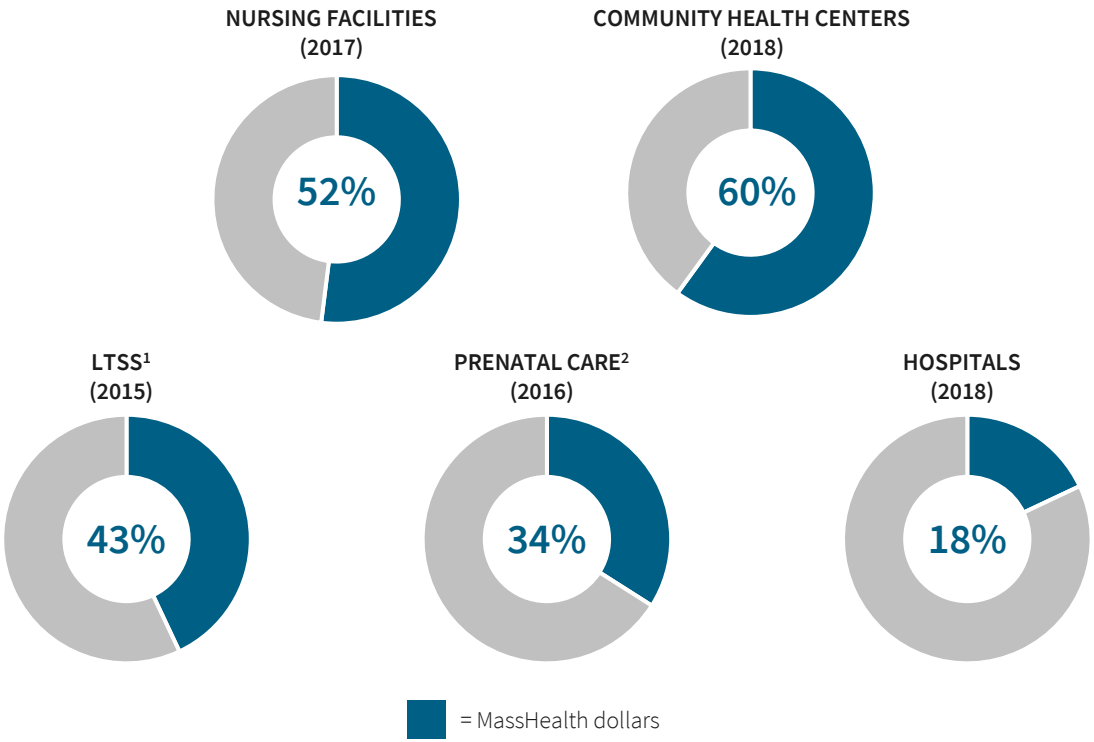
Over this time period, per member spending, not adjusted for inflation, increased most rapidly percentage-wise for non-disabled adults and adults with disabilities (about 18% and 10%, respectively) as well as in absolute terms (about $864 and $1,539, respectively).

At the same time, per member spending, not adjusted for inflation, decreased 13% for non-disabled children, and stayed the same for seniors.

Some of these changes are due to a 2018 modification in how MassHealth sets rates for adults and children, which generally drove rates up for adults and down for children. The large increase in per member spending for non-disabled adults is also partially because as enrollment has decreased among that population in recent years, the average risk (or "acuity") for the remaining population has increased, making them more costly on a per member basis.

MASSHEALTH SPENDING IS IMPORTANT TO MANY TYPES OF PROVIDERS

MASSHEALTH REVENUE AS A PERCENTAGE OF PROVIDERS' TOTAL PATIENT REVENUES



[1] Includes spending for home health care, durable medical supplies, Medicaid HCBS waivers, and care provided in residential care facilities. The source data also bundles in ambulance services, school health, and worksite health care, which make up a very small piece of these services.

[2] Percentage of births whose prenatal care was paid for by MassHealth.

SOURCES: Center for Health Information and Analysis (CHIA) (2019), Massachusetts Hospital Profiles (SFY 2018 data); CHIA HCF-1 Cost Reports (Nursing Facilities — CY 2017); Health Resources and Services Administration, Bureau of Primary Health Care, Uniform Data System Report (CHCs — federal FY 2018 data) (limited to HRSA-funded CHCs); CMS National and State Health Expenditure Accounts (estimate using MA total and Medicaid spending 2009 and MA total spending 2014); MA DPH; Massachusetts Births 2016.

MassHealth represents a significant portion of health care providers' revenues. This is especially the case for nursing homes and community health centers, which on average receive more than half of their total patient revenues from MassHealth.

MassHealth covers the prenatal care for a third of all births in Massachusetts. Prenatal care is delivered by a mix of providers.

MASSHEALTH EMERGENCY RESPONSE TO COVID-19

As a critical part of the social safety net, MassHealth has an inherent role in helping the Commonwealth respond to the COVID-19 pandemic and associated economic challenges.

As people lose their jobs and their employer-sponsored health insurance, MassHealth is available to provide many with needed health care coverage. Additionally, MassHealth quickly implemented many temporary policy and programmatic changes to people's coverage to respond to their health care needs in this pandemic. For example, as people face COVID-19 and the increased barriers to needed care caused by the need for social-distancing, MassHealth is ramping up use of telehealth. Some of these changes include:

Coverage and Eligibility

To help maintain high coverage rates and minimize care disruptions in the pandemic, MassHealth will not end or reduce coverage for any member or any person who is approved for coverage during the COVID-19 national and state emergency.

Telehealth Services

To help its members obtain needed care while also maintaining social distancing, MassHealth providers may deliver any appropriate MassHealth covered service via telehealth (including live video or telephone).

Temporary Expansion of Home Health Aide Services

To help people get the supports they need to stay in their homes despite the challenges the pandemic poses to in-person assistance, MassHealth has temporarily suspended personal care attendant (PCA) overtime limits. A MassHealth member with a prior authorization for PCA services may also receive home health aide services from a MassHealth participating home health agency if she or he is experiencing a disruption in receipt of PCA services due to COVID-19.

Pharmacy Benefit

To help people avoid disruptions in their medications during the current public health crisis, MassHealth allows 90-day supplies.

SOURCES: Promoting Access to Health Care and Coverage During a Public Health Crisis https://bluecrossmafoundation.org/publication/promoting-access-health-care-and-coverage-during-public-health-crisis-covid-19%E2%80%93related, and Coronavirus Disease (COVID-19) and MassHealth https://www.mass.gov/coronavirus-disease-covid-19-and-masshealth.

MASSACHUSETTS ADMINISTERS MOST OF MASSHEALTH THROUGH WAIVERS

WHAT IS A WAIVER?	States may request approval from the federal government to waive certain parts of federal Medicaid law in order to test program innovations or gain more flexibility in how they deliver and pay for Medicaid services. MassHealth gains flexibility through both Section 1115 and Section 1915(c) waivers.
1115 DEMONSTRATION WAIVER	The MassHealth program operates under the authority of an 1115 demonstration waiver for almost all members. The waiver first took effect in 1997 and has evolved through six extensions to expand coverage, support the safety net, provide incentives for delivery system innovations, and serve as a platform for health care reform. An important condition of all 1115 waivers is that they be "budget neutral," meaning the federal government will contribute no more to a waiver program than it would to a Medicaid program operating under standard rules. Through the latest extension, approved in November 2016, MassHealth is implementing a new Accountable Care Organization (ACO) program, new models of addressing member needs using Community Partners and flexible services, and expanded coverage of substance use disorder (SUD) services.
1915(c) HOME- AND COMMUNITY-BASED SERVICES WAIVERS	Home- and community-based services (HCBS) waivers permit states to provide LTSS in a home or community setting to members whose disabilities qualify them for an institutional level of care. Services can include home health care, personal care, habilitation, respite, physical and occupational therapy, group adult care, home modification, assistive technology, behavioral health, among others. MassHealth obtains federal matching funds on expenditures made by the agencies that authorize and oversee the services, such as the Executive Office of Elder Affairs, the Department of Developmental Services, the Department of Mental Health, and the Massachusetts Rehabilitation Commission. The state must demonstrate that providing the HCBS waiver services does not cost more on average than providing those services in an institution. In addition, the programs may have enrollment limits. MassHealth has 10 HCBS waivers, which are an important component of the Commonwealth's "Community First" policy. The waiver programs are targeted to specific populations: ▪ Elders aged 60 and over (Frail Elder Waiver) ▪ Adults aged 22 and over with intellectual or developmental disabilities (Community Living, Intensive Supports, and Adult Supports Waivers) ▪ Adults aged 18 and over with traumatic brain injury (TBI Waiver) ▪ Adults aged 22 and over with acquired brain injury (ABI) (ABI Residential and ABI Non-Residential Waivers) ▪ Adults and elders aged 18 and over who are moving from a facility back to the community (Moving Forward Plan (MFP) Community Living and MFP Residential Supports Waivers) ▪ Children aged 0 to 8 with autism (Children's Autism Spectrum Disorder Waiver)

SOURCES: Gershon, R., et al. (2017). The MassHealth Waiver 2016–2022: Delivering Reform. *Blue Cross Blue Shield Foundation*; 130 C.M.R. §519.007; 1915(c) waiver approval documents, accessed at www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html.

THE 2016 EXTENSION OF THE 1115 WAIVER THROUGH JUNE 2022 INCLUDES DELIVERY SYSTEM CHANGES AND EXPANDED COVERAGE OF SUBSTANCE USE DISORDER SERVICES

- The waiver extension authorizes $52.4 billion in state and federal spending over five years (July 1, 2017 through June 30, 2022).
- From that $52.4 billion total, it authorizes $1.8 billion over five years in state and federal funding for delivery and payment reform. It establishes:
  - Accountable Care Organizations (ACOs), entities held accountable for their member populations' health and health care costs.
  - Behavioral Health Community Partners and LTSS Community Partners, entities partnering with ACOs to provide wrap-around support to ACO members with complex needs.
  - Statewide investments to support workforce development and improved access to care.
  - Flexible services to address social determinants of health.
- The extension maintains but reforms supplemental payments to hospitals and other safety-net providers.
- The extension improves access to a wide range of substance use disorder services.
- The extension bases a portion of federal MassHealth funding on the state's performance.
- MassHealth will likely negotiate a new 5-year waiver extension with the federal government before the waiver expires on June 30, 2022.

SOURCES: Gershon, R., *et al.* (2017). The MassHealth Waiver 2016–2022: Delivering Reform. *Blue Cross Blue Shield Foundation*; MassHealth (2016). MassHealth Waiver Approval Fact sheet.

THE DELIVERY SYSTEM REFORM INCENTIVE PAYMENT (DSRIP) PROGRAM INVESTS SUBSTANTIAL FUNDS IN THE STATE'S HEALTH CARE DELIVERY SYSTEM

The 1115 waiver agreement includes authorization for $1.8 billion in federal and state funds to support delivery system transformation.

OBJECTIVE	5-YEAR FUNDING JULY 2017–JUNE 2022 (% OF DSRIP FUNDING)
ACO DEVELOPMENT: including development and support of flexible services	**$1.065B (60%)**
COMMUNITY PARTNERS: care coordination and capacity building	**$547M (30%)**
STATEWIDE INVESTMENTS: student loan repayment, primary care residency training, workforce development, emergency department boarding, disability access, and language access	**$115M (6%)**
STATE OPERATIONS AND IMPLEMENTATION	**$73M (4%)**
TOTAL	**$1.8B**

SOURCE: MassHealth Delivery System Reform Incentive Payment Protocol (July 2019). Available at https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ma/MassHealth/ma-masshealth-protocol-edits-20190627.pdf

ACCOUNTABLE CARE ORGANIZATIONS: PROVIDER ENTITIES HELD FINANCIALLY ACCOUNTABLE FOR THE COST AND QUALITY OF CARE FOR THEIR MEMBER POPULATIONS

THREE VARIETIES OF MASSHEALTH ACOs

ACCOUNTABLE CARE PARTNERSHIP PLAN

Contract between MassHealth and Accountable Care Partnership Plan

- Capitation payment
- Requires Accountable Care Partnership Plans to provide and pay for comprehensive health services to enrollees

13 ACOs SELECTED BY THE STATE

~520,118 MEMBERS ENROLLED

ON AVERAGE, ~40,000 MEMBERS/ACO

PRIMARY CARE ACO

Contract between MassHealth and ACO

- Shared savings and losses
- MassHealth does not pay Primary Care ACOs to deliver direct services; rather, MassHealth pays for services directly

3 ACOs SELECTED BY THE STATE

~342,246 MEMBERS ENROLLED

ON AVERAGE, ~114,000 MEMBERS/ACO

MCO

Contract between MassHealth and MCO

- Capitation payment
- Requires MCOs to provide and pay for comprehensive health services to enrollees
- Requires MCOs to contract with MassHealth-certified MCO-administered ACOs

MCO-ADMINISTERED ACOs

Contract between MCO and ACO

- Contract approved by MassHealth
- Shared savings and losses
- MCO does not pay MCO-administered ACOs to deliver direct services; rather, MCO pays for services directly

1 ACO SELECTED BY THE STATE

~10,000 MEMBERS ENROLLED

A list of ACO plans and data on enrollment by plan is available in the Foundation's ACO Primer "What to Know About ACOs: An Introduction to Accountable Care Organizations," available at https://www.bluecrossmafoundation.org/publication/what-know-about-acos-latest-masshealth-accountable-care-organizations.

SOURCES: Gershon, et al. (2017). The MassHealth Waiver 2016–2022: Delivering Reform. *Blue Cross Blue Shield Foundation*;
MassHealth. MassHealth Budget Office. Delivery System Reform Implementation Advisory Council (Meeting #18) (February 2020), referencing data from 12/31/2019.

COMMUNITY PARTNERS PROVIDE CARE COORDINATION AND NAVIGATION SUPPORTS FOR CERTAIN MEMBERS

- MassHealth has selected **nine entities** to participate as LTSS Community Partners (CPs) and **18** as Behavioral Health CPs.
- As of October 2019, over **11,000 members** were enrolled in LTSS CPs and over **36,000 members** were enrolled in BH CPs.
- CPs work with the **most complex members** and promote integration of care, improved member experience, and continuity and quality of care for members with complex needs.
- ACOs are required to partner with multiple CPs, which make available the capabilities and **cultural/linguistic expertise** of existing community-based organizations.
- CPs perform **outreach and engagement**, participate in care teams, engage in person-centered treatment planning, coordinate services, support care transitions, provide health and wellness coaching, and **facilitate access** to social and community services.
- Members may be eligible to participate in CPs if they are enrolled in an ACO, in an MCO, or in the Department of Mental Health's Adult Community Clinical Services.

SOURCES: MassHealth. MassHealth Community Partners (CP) Program: Information for Providers. Accessed at www.mass.gov/guides/masshealth-community-partners-cp-program-information-for-providers#list-of-masshealth-community-partners.
Delivery System Reform Implementation Advisory Council (Meeting #18) (February 2020), referencing data from 10/11/2019.

NEW FLEXIBLE SERVICES PROGRAM TO ADDRESS TENANCY AND NUTRITION NEEDS

MassHealth launched its Flexible Services Program (FSP) in January 2020. The FSP provides certain ACO members with services to address their tenancy and nutrition needs; these services are not typically covered by MassHealth. The goal of this program is to try to address certain social needs known to impact health and to potentially reduce an ACO's total cost of care.

MassHealth stipulates general eligibility criteria for FSP, including (1) behavioral or complex physical health needs and (2) housing- or nutrition-related risk factors. Each ACO further narrows the eligibility for their programs. Because the dollars for FSPs are limited, not every eligible member will receive FSP services.

As of July 2020, 45 FSPs have been approved (each ACO can have multiple FSPs). Twenty-three are tenancy programs, 20 are nutrition programs, and two are combined tenancy/nutrition programs.

Fourteen of the seventeen ACOs have approved programs, partnering with 30 social service organizations. The deadline was September 14 for ACOs to submit proposals to MassHealth for FSPs they intend to launch in January 2021.

Tenancy Service Examples

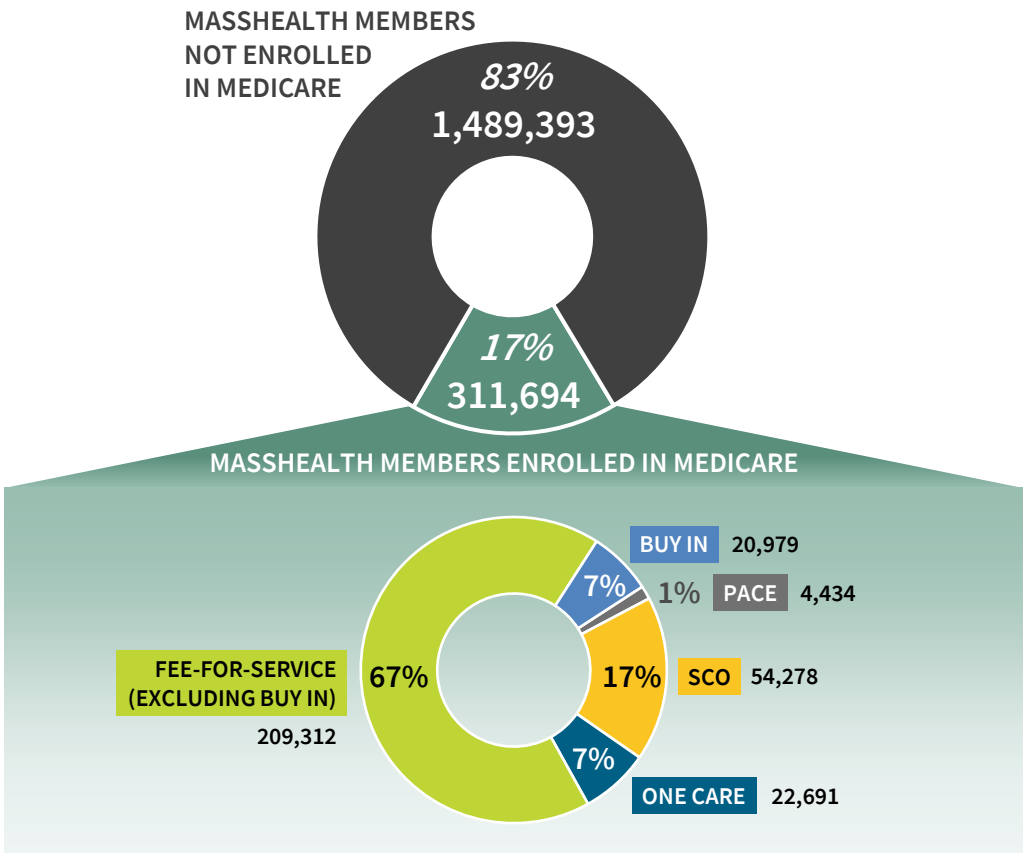
- Housing application assistance
- First/last months' rent, household setup costs
- Help in communicating with landlord

Nutrition Service Examples

- SNAP and WIC application assistance
- Home-delivered meals

SOURCES: MassHealth. Delivery System Reform Implementation Advisory Council (Meeting #18) (February 2020); MassHealth Care Organization Flexible Services (October 2019). Accessed at https://www.mass.gov/files/documents/2019/10/24/flexible-services-summary.pdf. Flexible Services Program Public List (July 2020). Accessed at https://www.mass.gov/doc/flexible-services-program-public-list/download.

MASSACHUSETTS IS PLANNING CHANGES FOR INDIVIDUALS ENROLLED IN BOTH MASSHEALTH AND MEDICARE



NOTES: The bottom pie chart only shows members who are enrolled in Medicare and Medicaid. In addition, there are SCO and PACE enrollees who are not enrolled in both MassHealth and Medicare. The MassHealth buy-in covers Medicare premiums, co-pays, and deductibles, but does not cover other MassHealth Standard services. Eligibility for the buy-in program was expanded in January 2020, which increased enrollment in buy-in significantly.

SOURCE: MassHealth Budget Office.

One in six MassHealth members is also enrolled in Medicare. There are three managed care programs for individuals enrolled in both Medicaid and Medicare: One Care, SCO, and PACE. More than three-quarters of these "dually eligible" people remain outside managed care arrangements.

MassHealth is in the process of changing its One Care and SCO programs, with the goal of changes taking effect in January 2022. Changes may include passive enrollment (where members are automatically enrolled and have the option to opt out), fixed enrollment periods, administrative alignment, changes to payment methods, and value-based purchasing. These changes are collectively referred to as "Duals 2.0." The state is currently negotiating with the Centers for Medicare and Medicaid Services on its proposed Duals 2.0 demonstration.

MASSHEALTH'S SUBSTANCE USE DISORDER TREATMENT OPTIONS

Massachusetts is now covering a more comprehensive array of outpatient, residential inpatient, and community services to combat the substance use disorder (SUD) crisis. Below is a list of SUD treatment services and supports that MassHealth received approval for covering in the November 2016 extension of the 1115 waiver.

SUD TREATMENT SERVICES and SUPPORTS	DESCRIPTION
Residential Rehabilitation	Expanded continuum of SUD care available to MassHealth members, including residential rehabilitation services, transitional support services, and community-based family treatment services.
Recovery Support Navigators and Coaches	Recovery support navigators develop recovery plans with members, coordinate services, participate in discharge planning and adherence, and help members pursue their health management goals. Recovery coaches, all of whom have experienced SUD recovery, serve as recovery guides and role models. They provide nonjudgmental problem solving and advocacy to help members meet recovery goals.
Medication Assisted Treatment (MAT) Technical Assistance	Provides funding to offer technical assistance to primary care providers to increase provider comfort and clinical competency for treating SUDs using MAT.
American Society of Addiction Medicine (ASAM) Assessment and Care Planning Tools	Implemented protocols and tools across treatment settings for assessment, admission, and care planning based on ASAM criteria.

SOURCE: Centers for Medicare & Medicaid Services (2019). MassHealth Medicaid Section 1115 Demonstration Special Terms and Conditions (July 2019). Available at https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ma/ma-masshealth-ca.pdf.

MassHealth: The Basics
CONCLUSION

MASSHEALTH HAS PLAYED AN ESSENTIAL ROLE IN DRIVING MASSACHUSETTS' COVERAGE RATES TO HISTORIC HIGHS:

- Expansion of MassHealth in 2006 reduced the uninsured rate among eligible children by more than 5%.

MASSHEALTH PROVIDES ACCESS TO ESSENTIAL HEALTH SERVICES FOR MORE THAN 1.8 MILLION OF THE STATE'S RESIDENTS:

- Children, seniors, and people with disabilities make up over 60% of the MassHealth population.
- Most MassHealth members have extremely low incomes. In 2018, two-thirds of enrollees had incomes at or below 86% FPL ($10,973 for an individual in 2020).
- Many MassHealth members work in low-wage industries, such as food service, sales, and transportation.
- MassHealth covers services that commercial insurance would typically cover, plus others such as long-term services and supports and additional behavioral health services.
- Access to MassHealth coupled with other health reforms ultimately led to higher utilization of preventive services and better health outcomes.

MASSHEALTH REPRESENTS A SIGNIFICANT PORTION OF THE STATE BUDGET, BUT THE MAJORITY OF ITS SPENDING IS PAID FOR WITH FEDERAL FUNDING:

- In SFY 2019, total MassHealth spending was $16.5 billion.
- The federal government reimburses the state for 50% to 90% of MassHealth spending, depending on the population served.
- MassHealth spending has grown in recent years while enrollment has leveled off after enrollment increases resulting from the ACA expansion. MassHealth may see an increase in enrollment in 2020 as people lose their employer-sponsored insurance as a result of the current COVID-19 pandemic and associated economic challenges.
- Most MassHealth dollars are spent on services for a minority of members with high medical needs. Nearly 60% of benefit spending in SFY 2019 was for people with disabilities and seniors, who make up only about a quarter of the MassHealth membership.
- Prescription drug spending and home- and community-based long-term services and supports were the key drivers behind per-enrollee spending growth in MassHealth SFY 2013–2016.

MASSHEALTH IS IMPLEMENTING REFORMS TO THE DELIVERY OF CARE AND HOW IT IS PAID FOR:

- Over 872,000 MassHealth members — or about half of all members — have been enrolled in new Accountable Care Organizations, which began full operation in March 2018.
- MassHealth is experimenting with new ways to coordinate care and to connect individuals with social services in order to address social determinants of health.
- Massachusetts is investing $1.8 billion in federal and state funding over five years to support the delivery system transformation.
- Following approval of the 2016 1115 waiver extension, MassHealth covers a more comprehensive array of outpatient, residential inpatient, and community services to combat the substance use disorder crisis.
- MassHealth will likely negotiate a new 5-year waiver extension with the federal government before the waiver expires on June 30, 2022.

MASSACHUSETTS

FOUNDATION