

FY2016 GENERAL APPROPRIATIONS ACT BUDGET FOR MASSHEALTH (MEDICAID) AND HEALTH REFORM PROGRAMS

BUDGET BRIEF
AUGUST 2015

SUMMARY

On July 17, 2015, Massachusetts Governor Charlie Baker signed into law a \$38.1 billion state budget for fiscal year (FY) 2016—simultaneously issuing line-item vetoes that totaled \$162 million and submitting a request for \$357.7 million in supplemental funding to close out FY2015 deficiencies.¹ The new budget is the result of months of work by the Republican Governor and Democratic-controlled legislature. State budget writers sought to close an estimated \$1.8 billion shortfall in FY2016, which officially began on July 1.²

- 1 Of the \$357.7 million in FY2015 supplemental appropriation requests, Governor Baker included \$203 million to address deficiencies in MassHealth appropriations.
- 2 The Governor signed into law an interim budget to continue state operations until the GAA was enacted.

The FY2016 General Appropriations Act (GAA), as the enacted budget is known, includes \$16.2 billion for MassHealth and other publicly subsidized health care coverage programs as summarized in the table below. In crafting the budget, the legislature relied heavily on nearly all \$1.6 billion in MassHealth and health reform fiscal solutions in the Governor's budget proposal. The GAA holds total health care coverage spending growth from FY2015 to less than \$800 million (5.2 percent).³ The Governor also issued \$13.6 million in related vetoes, which the legislature overrode.

- 3 For detailed analyses of the FY2016 budget proposals for MassHealth and health reform programs put forward by the Governor, House of Representatives, and Senate, see MMPI's budget briefs, available at <http://bluecrossmafoundation.org/tag/publication-collection/budget-briefs>.

TABLE 1: MASSHEALTH AND HEALTH REFORM BUDGET SUMMARY

	FY2015 Estimated Spending	FY2016 GAA	Variance from FY2015	
EOHHS/MassHealth	\$14,689,806,515	\$15,605,647,184	\$915,840,669	6.2%
• MassHealth Programs	\$13,685,711,668	\$14,682,448,673	\$996,737,005	7.3%
• Provider Supplemental Payments*	\$637,500,000	\$462,000,000	\$(175,500,000)	-27.5%
• Delivery System Transformation Initiative*	\$116,171,085	\$189,141,606	\$72,970,521	62.8%
• EOHHS/MassHealth Administration**	\$250,423,762	\$272,056,905	\$21,633,143	8.6%
Health Connector	\$324,239,422	\$196,515,726	\$(127,723,696)	-39.4%
• ConnectorCare	\$60,244,338	\$169,088,903	\$108,844,565	180.7%
• Commonwealth Care Extension	\$178,441,039	\$0	\$(178,441,039)	-100.0%
• Health Connector Administration***	\$19,722,059	\$19,000,000	\$(722,059)	-3.7%
• Other Health Connector Programs	\$65,831,986	\$8,426,823	\$(57,405,163)	-87.2%
Health Safety Net	\$349,200,000	\$360,877,350	\$11,677,350	3.3%
• Health Safety Net Program	\$336,800,000	\$350,000,000	\$13,200,000	3.9%
• Health Safety Net Administration	\$12,400,000	\$10,877,350	\$(1,522,650)	-12.3%
Center for Health Information and Analysis	\$32,890,444	\$31,140,523	\$(1,749,921)	-5.3%
Other Health Reform Administration	\$9,253,272	\$10,603,272	\$1,350,000	14.6%
• HIT Trust Fund and Integrated Eligibility System	\$8,153,272	\$8,153,272	\$0	0.0%
• Health Care Access Bureau	\$1,100,000	\$1,100,000	\$0	0.0%
• Reserves: Health Policy Commission Pilot Programs	\$0	\$1,350,000	\$1,350,000	100.0%
TOTAL	\$15,405,389,653	\$16,204,784,055	\$799,394,402	5.2%

Expenditures are reported in gross amounts. Actual state fiscal impact is net of federal reimbursements on eligible Medicaid (Title XIX) and CHIP (Title XXI) expenditures.

The table does not include Health Policy Commission administrative and program expenditures, which are currently funded from revenues established under Chapter 224 of the Acts of 2012.

The table does not include expenditures associated with certain other programs and services eligible for federal reimbursement under the MassHealth 1115 Demonstration Waiver, including Designated State Health Programs (DSHP), payments to DPH- and DMH-owned hospitals, and Institutions for Mental Disease. Note, however, that expenditures associated with the Children's Medical Security Program, a DSHP-eligible program, are included under MassHealth Programs spending in this table.

* Provider Supplemental Payments and Delivery System Transformation Initiative: Amounts reflect operating budget transfers from the General Fund to the Medical Assistance Trust Fund (MATF) and Delivery System Transformation Initiative (DSTI) Incentive Fund to support provider supplemental payments and DSTI incentive payments.

** EOHHS/MassHealth Administration: Expenditures include a subset of line items funding auditing, operations, and payment reform activities, as well as EOHHS-wide administrative line items. For a complete list of the administrative line items included herein, see Appendix A.

*** Health Connector Administration: Expenditures reported in the table are net of federal grants, carrier revenue, miscellaneous revenue, and other reserves.

Source: Massachusetts Executive Office for Administration and Finance.

An analysis of the GAA by the Massachusetts Medicaid Policy Institute (MMPI) shows projected spending as follows: \$15.6 billion by the Executive Office of Health and Human Services (EOHHS) and MassHealth, \$196.5 million by the Health Connector, and \$360.9 million by the Health Safety Net Trust Fund for health care services for the uninsured or underinsured. The table on page 1 provides a summary of major program areas and projected expenditures associated with MassHealth and other health reform activities.

FY2016 GENERAL APPROPRIATIONS ACT

Without implementing a series of spending and revenue adjustments, the FY2016 budget for MassHealth and health reform programs was projected to grow by approximately 16 percent, based on state budget writers' baseline spending assumptions for the coming year.⁴ Given those baseline growth projections, the House of Representatives ("House") and Senate included nearly all \$1.6 billion in MassHealth and health reform fiscal solutions proposed by the Governor in developing their own budget proposals. The final GAA incorporated many, but not all, of the spending priorities identified by the Governor, House, and Senate. This brief summarizes the key assumptions and policies included in the GAA.

Governor's Budget Recommendations Included in the GAA

Governor Baker submitted his budget proposal in March and included approximately \$1.6 billion in FY2016 fiscal solutions. The GAA adopted nearly all of those solutions, as summarized below:⁵

■ *MassHealth*

Eligibility Renewal Processes. In FY2015, MassHealth resumed a phased schedule of eligibility renewals that will ultimately touch 1.2 million members. The backlog in eligibility renewals (sometimes referred to as "redeterminations") had the effect of temporarily inflating MassHealth's caseload while the state sorted out problems with its eligibility system. The GAA assumes that there will be approximately \$420 million in FY2016 savings associated with resuming renewal processes. Average MassHealth enrollment is projected to decrease from approximately 1.9 million members in FY2015 to 1.7 million in FY2016.

Provider and Health Plan Payments. Consistent with the Governor's recommendations, the GAA also holds MassHealth provider rates generally flat or without any rate increases relative to FY2015 while providing a modest increase in spending to ensure that Medicaid managed care organization (MCO) capitation payment rates are actuarially sound.⁶ In total, these assumptions resulted in approximately \$130.6 million in MassHealth savings from baseline FY2016 estimates. The change affects the total amount budgeted for skilled nursing facilities, chronic and rehabilitation hospitals, other providers, and Medicaid MCOs.

Continuation of FY2015 9C Reductions. In FY2015, a variety of mid-year 9C reductions⁷ were instituted to address the FY2015 budget gap. The GAA assumes most of those policy changes will continue in FY2016 to take advantage of approximately \$46 million in projected full-year (or "annualized") savings. Policy changes included elimination of chronic and rehabilitation hospital "administrative day" rates, eliminating a skilled nursing facility rate add-on payment, narrowing the definition of emergency services under the MassHealth Limited program, and updating assumptions for Senior Care Options (SCO) contractor payments. One 9C reduction that is reversed by the GAA pertains to restoration of respite benefits for adult foster caregivers.

Other Reductions. The GAA includes a variety of other spending reductions associated with programmatic and administrative changes. Those changes and the corresponding savings assumptions are detailed below:

- Eliminate planned increase in Delivery System Transformation Initiative (DSTI) incentive payments: \$16.5 million⁸
- Generate additional pharmacy rebates: \$16.25 million
- Strengthen controls on payments for MCO wrap services, which are services not included in the capitation rate: \$10 million
- Restructure Primary Care Clinician (PCC) Care Management Program: \$6.5 million
- Strengthen controls on MassHealth Limited⁹ spending: \$4 million
- Reduce initial prescription period of select drugs (i.e., opioids) to prevent waste and abuse: \$1.5 million

While no savings are assumed, Section 106 of the GAA authorizes MassHealth to negotiate bulk purchasing arrangements with manufacturers of durable medical equipment and supplies. Also, in contrast to the Governor's budget proposal, the GAA does *not* eliminate MassHealth coverage of chiropractic services.

Cash Management. In order to address MassHealth deficiencies, program administrators have at times delayed payments to providers and health plans, effectively pushing spending from one fiscal year to the next; typically all or a portion of June payments are pushed into July. This creates savings in the first fiscal year in which it is done, as fewer payments are made than budgeted. In order to contain spending growth in FY2016, the GAA does not include funding to correct for these prior year payment delays. In addition, the GAA implements similar cash management practices by pushing some FY2016 payments into FY2017, including a variety of payments to fee-for-service providers, MCOs, SCO and Program for All Inclusive Care for the Elderly (PACE) contractors,

⁷ Under Section 9C of Chapter 29 of the Massachusetts General Laws, the Governor has unilateral authority, in the event that budgeted revenues are insufficient to meet authorized expenditures, to institute budget reductions in executive agencies.

⁸ The most recent extension of the state's MassHealth 1115 waiver included a 10 percent increase in the amount of Delivery System Transformation Initiative (DSTI) incentive payments that are eligible for 50 percent federal reimbursement. For further details, a summary by MMPI of the 1115 waiver extension is available at <http://bluecrossmafoundation.org/publication/summary-masshealth-1115-waiver>.

⁹ MassHealth Limited covers emergency services only for people who meet the eligibility criteria for MassHealth but are non-citizens and do not have an immigration status that would make them eligible for MassHealth.

⁴ Baseline spending, often referred to as the "maintenance budget," is described in MMPI's April 2015 budget summary of the Governor's budget proposal, available at <http://bluecrossfoundation.org/publication/governor%E2%80%99s-fy-2016-budget-proposal-masshealth-medicare-and-health-reform-programs>.

⁵ For a detailed analysis of the Governor's budget proposal, see MMPI's April 2015 budget summary.

⁶ Federal law and regulations require that managed care organizations be reimbursed in a manner that is in accordance with generally accepted actuarial principles and appropriate for the populations to be covered and the services to be furnished.

Medicare (Parts A, B, and D), and certain hospitals.¹⁰ Additionally, a \$52 million provider supplemental payment¹¹ to Boston Medical Center and \$115.1 million in payments to hospitals eligible for DSTI incentives are similarly pushed into FY2017.

Spending Increases. The GAA includes \$174 million in areas identified by the Governor that represent either new MassHealth funding obligations or full-year spending levels for services provided beginning in FY2015. These increases include \$137 million for applied behavioral analysis services for individuals under 21 with autism spectrum disorders, \$16 million to continue adult denture coverage (which was restored in FY2015), and \$21 million to fund costs associated with sick days for MassHealth personal care attendants.

New Revenues. In addition to savings initiatives and spending increases, the GAA projects a total of \$22.65 million in new or enhanced MassHealth revenue initiatives related to third party recoveries and federal reimbursement on eligible expenditures.

■ *Center for Health Information and Analysis*

Whereas the Governor and the House proposed making the Center for Health Information and Analysis (CHIA) an EOHHS agency rather than allowing it to continue as an independent center, the GAA adopted a modified version of the Senate's proposal to establish a CHIA oversight council. The GAA established an 11-member oversight council consisting of appointees including the Secretary of Health and Human Services, the Secretary of Administration and Finance, and the Commissioner of Insurance. The GAA reduces administrative spending at CHIA by \$1.8 million compared with FY2015.

■ *Commonwealth Care Trust Fund*

With the availability of federal tax subsidies for income-eligible individuals receiving health coverage through the Health Connector, the state's spending obligations from the Commonwealth Care Trust Fund (CCTF) have decreased—resulting in a projected surplus of revenues in the fund. Section 145 of the GAA allows a transfer of up to \$110 million from the CCTF to the state's General Fund to support spending on other programs.

Legislative Budget Priorities

■ *Proposals Included in the GAA*

Nursing Facility Assessment: A House-supported provision that includes \$6 million in additional funding for the MassHealth share of nursing facility assessment is included in the GAA.

Leave of Absence Days: The GAA includes a Senate-added provision stating that MassHealth must reimburse nursing home facilities for up to and including 20 medical leave of absence days and up to 10 nonmedical leave of absence days.

Behavioral Health Rate Increases: The GAA includes an additional \$1.5 million over the Governor's budget proposal to support increased

payments for mental health and substance abuse treatment providers participating in MassHealth's Primary Care Clinical Plan.

Substance Abuse Treatment: Section 105 of the GAA clarifies that MassHealth shall cover the administration of drugs for the treatment of opioid or alcohol dependence by providers of clinical stabilization services (24-hour clinically managed post-detox treatment).

Children's Behavioral Health Initiative: The GAA funds administrative and program expenses associated with the Children's Behavioral Health Initiative, which supports comprehensive community-based behavioral health services to children suffering from severe emotional disturbances, at \$221.3 million. This represents \$500,000 less than the Governor's budget proposal.

Behavioral Health Integration: The GAA includes \$500,000 in line item 1599-2012 to accelerate and support behavioral health integration within patient-centered medical homes. The amount was originally included in the Senate budget.

Infrastructure Capacity Building Grants to Hospitals and Community Health Centers: While no additional funds were included, the GAA authorizes \$30 million for infrastructure grants to hospitals and community health centers in line item 4000-0500.

Community Health Center Grant Program: The GAA includes a budget provision for \$1 million in line item 4000-0700 for a primary care workforce development grant program for the purpose of enhancing recruitment and retention of primary care physicians and other clinicians at community health centers.

Provider Supplemental Payments: Following release of the Governor's budget, the Executive Office for Administration and Finance indicated that the amount allocated to support provider supplemental payments from the Medical Assistance Trust Fund was overestimated by \$3 million. Based on the updated spending information, the GAA reduces spending in line item 1595-1068 by \$3 million from the Governor's proposal.

Emergency Services and Mental Health Care: The GAA allocates \$6 million in line item 4000-0700 for emergency service programs and acute inpatient mental health care services previously funded through the Department of Mental Health (line item 5047-0001) for individuals eligible for MassHealth.

Primary Care Narcan Training: The GAA includes \$100,000 in line item 1599-1450 to develop a training and technical assistance program to improve and expand the capacity and ability of primary care providers to prescribe Narcan to prevent deaths by opioid overdose.

Updated Enrollment Forecast: The GAA incorporates updated MassHealth enrollment projections, which show more modest growth in FY2016 than earlier estimates included in the Governor's budget proposal. The updated enrollment projections result in approximately \$26.6 million in savings included in line item 4000-0700.

¹⁰ Includes payments to Boston Children's Hospital, Shriners Hospital, and Tufts Medical Center.

¹¹ Certain hospitals and health systems with a high share of patients who either are uninsured or have publicly funded health insurance are eligible for provider supplemental payments.

■ *Proposals Excluded from the GAA*

The GAA does not include certain policy proposals that were included in either the House or Senate versions of the budget. Key proposals that are excluded from the GAA include the following:

Global Payment Pilot Program: The GAA does not include a House-supported provision which required MassHealth to establish a prospective global payment pilot program under which it contracts with risk-bearing provider organizations for the provision and coordination of health care services for attributed members beginning not later than September 1, 2016.

Academic Detailing: The Senate budget had assumed approximately \$3 million in MassHealth savings from line item 4000-0700 associated with enhanced academic detailing efforts. Academic detailing provides evidence-based information to prescribers about the relative effectiveness of various prescription medications. The GAA does not appear to include these savings.

High Public Payer Supplemental Payments: A Senate floor amendment included language directing MassHealth to make approximately \$4 million in supplemental payments for inpatient and outpatient services provided by any acute care hospital that receives greater than 63 percent of its gross patient service revenue from governmental payers and free care (“high public payer hospitals”). Similarly, it directed an additional \$2 million to inpatient and outpatient behavioral and mental health services provided by high public payer acute care hospitals. By contrast, the House proposed an off-budget transfer of \$17.15 million for high public payer payments. The GAA does not appear to include either the House or Senate provision.

Delivery System Transformation Initiatives (DSTI) Program: In addition to the \$189.1 million allocated from on-budget sources through line item 1595-1067, the House budget supported \$8.2 million in DSTI program spending from the Distressed Provider Trust Fund. The GAA does not include this provision.

Health Information Exchange Operations: Whereas the House budget proposal increased funding from \$8.2 million in FY2015 to \$15 million in FY2016 to support operational costs for the statewide health information exchange and certain costs of the health information exchange and integrated eligibility system, the GAA level-funds these expenditures in line item 1595-1069.

Home Care: The Senate budget called for the phased-in expansion of income eligibility to 300 percent of the federal poverty level for home-care services under Elder Affairs’ Home Care Basic and Enhanced Community Options Programs. The provision is excluded from the GAA.

Veto Overrides

The legislature included a variety of MassHealth and health reform funding priorities that the Governor vetoed. The legislature overrode the following vetoes in July:

Nursing Facility Pay-for-Performance Program: \$2.8 million in funding in line item 4000-0640 to support the MassHealth Nursing Facility Pay-for-Performance Program.

Nursing Facility Wage Pass-Through: \$2.5 million in line item 4000-0640 to fund a rate add-on for wages, benefits, and related employee costs of direct care staff of nursing homes.

High Acuity Patient Payments: \$7.4 million line in item 4000-0700 to support a half year of supplemental MassHealth payments to Boston Medical Center and Tufts Medical Center for high acuity patients.

Other spending priorities: The legislature overrode vetoes of the following earmarks and pilot programs from various line items as described below:

- \$150,000 for Noble Hospital (4000-0300)
- \$100,000 for a pilot program in Norfolk County to incentivize independent home health care nurses to work with patients with rare diseases and disorders (4000-0300)
- \$50,000 for payroll costs of a MassHealth liaison to the trial court (4000-0300)
- \$100,000 for the Edward M. Kennedy Community Health Center (4000-0014)
- \$250,000 (reduction) for a model of post-natal supports for families with substance-exposed newborns at up to three regional sites to be selected by the HPC through a competitive process (1599-1450)
- \$250,000 (reduction) for a pilot program in the greater Quincy area to implement a model of field triage for behavioral health patients under medical control by specially trained emergency medical services providers (1599-2004)

APPENDIX A

Appendix A details on-budget funding for administrative and MassHealth program accounts.

TABLE A1: EOHHS AND MASSHEALTH ADMINISTRATION

		FY2015 Estimated Spending	FY2016 GAA	Variance from FY2015	
EOHHS and MassHealth Administration		\$250,423,762	\$272,056,905	\$21,633,143	8.6%
4000-0300	EOHHS and MassHealth Administration*	\$88,223,229	\$92,240,452	\$4,017,223	4.6%
4000-0301	MassHealth Auditing and Utilization Reviews	\$4,161,845	\$4,291,711	\$129,866	3.1%
4000-0321	EOHHS Contingency Contracts (Retained Revenue)	\$50,000,000	\$50,000,000	\$0	0.0%
4000-0328	State Plan Amendment Support	\$394,000	\$0	\$(394,000)	-100.0%
4000-1602	MassHealth Operations	\$2,105,757	\$2,231,497	\$125,740	6.0%
4000-1604	Health Care System Reform	\$868,022	\$949,100	\$81,078	9.3%
4000-1700	Health and Human Services IT**	\$104,670,909	\$122,244,145	\$17,573,236	16.8%
4000-0014	Edward M. Kennedy Community Health Center	\$0	\$100,000	\$100,000	0.0%

* Includes personnel and administrative expenditures to support the Office of the EOHHS Secretary and the Office of Medicaid.

** Supports EOHHS-wide IT costs.

Source: Massachusetts Executive Office for Administration and Finance.

TABLE A2: MASSHEALTH PROGRAM ACCOUNTS

		FY2015 Estimated Spending	FY2016 GAA	Variance from FY2015	
MassHealth Program Accounts		\$13,685,711,668	\$14,682,448,673	\$996,737,005	7.3%
4000-0320	MassHealth Recoveries (Retained Revenue)	\$225,000,000	\$225,000,000	\$0	0.0%
4000-0430	MassHealth CommonHealth	\$109,868,601	\$119,495,216	\$9,626,615	8.8%
4000-0500	MassHealth Managed Care	\$4,954,442,844	\$5,933,039,597	\$978,596,753	19.8%
4000-0600	MassHealth Senior Care	\$3,111,199,227	\$2,976,350,333	\$(134,848,894)	-4.3%
4000-0640	MassHealth Nursing Home Supplemental Rates	\$292,300,000	\$302,900,000	\$10,600,000	3.6%
4000-0700	MassHealth Fee-for-Service Coverage	\$2,441,166,429	\$2,478,152,092	\$36,985,663	1.5%
4000-0875	MassHealth Breast and Cervical Cancer Treatment	\$5,725,199	\$6,011,459	\$286,260	5.0%
4000-0880	MassHealth Family Assistance	\$241,342,483	\$253,769,135	\$12,426,652	5.1%
4000-0885	Small Business Employee Premium Assistance	\$30,877,115	\$32,420,971	\$1,543,856	5.0%
4000-0940	ACA Expansion Populations	\$1,682,627,779	\$1,712,110,508	\$29,482,729	1.8%
4000-0950	Children's Behavioral Health Initiative	\$211,389,021	\$221,298,049	\$9,909,028	4.7%
4000-0990	Children's Medical Security Plan	\$13,867,016	\$13,214,180	\$(652,836)	-4.7%
4000-1400	MassHealth HIV Plan	\$23,693,668	\$24,878,351	\$1,184,683	5.0%
4000-1420	Medicare Part D Phased Down Contribution	\$307,894,286	\$334,396,782	\$26,502,496	8.6%
4000-1425	Hutchinson Settlement	\$34,318,000	\$49,412,000	\$15,094,000	44.0%

Source: Massachusetts Executive Office for Administration and Finance.

APPENDIX B

Appendix B provides details on sources and uses of funding allocated through off-budget trust funds.

TABLE B1: COMMONWEALTH CARE TRUST FUND

	FY2015 Estimated Spending	FY2016 GAA
Sources	\$347,489,107	\$339,404,067
• Cigarette Tax Revenue	\$142,333,101	\$145,991,312
• Individual Tax Penalties	\$15,816,301	\$15,000,000
• Employer Medical Assistance Payments	\$178,412,755	\$178,412,755
• Prior Year Surplus	\$10,926,950	\$0
Uses	\$347,489,106	\$339,404,069
• ConnectorCare Subsidies (Non-AWSS)*	\$49,258,466	\$147,073,892
• ConnectorCare Subsidies (AWSS)*	\$10,985,872	\$22,015,011
• Commonwealth Care Extension (Non-AWSS)*	\$121,710,475	\$0
• Commonwealth Care Extension (AWSS)*	\$56,730,564	\$0
• FY2014 Risk Sharing	\$15,499,219	\$5,800,000
• FY2015 MSP	\$21,945,789	\$0
• FY2014 MSP	\$23,488,110	\$0
• Connector Admin. (Net of Fed. Grants, Carrier Revenue, Misc. Reserves)	\$19,722,059	\$19,000,000
• Small Business Wellness Subsidy	\$0	\$526,823
• 9010 Insurer Fee	\$4,898,868	\$2,100,000
• Catastrophic Illness in Children Relief Fund (CICRF)	\$4,260,751	\$2,888,343
• Health Safety Trust Fund Transfer	\$0	\$30,000,000
• General Fund Transfer	\$18,988,933	\$110,000,000

* AWSS = aliens with special status.

Source: Massachusetts Executive Office for Administration and Finance.

TABLE B2: HEALTH SAFETY NET TRUST FUND

	FY2015 Estimated Spending	FY2016 GAA
Beginning Balance	\$74,200,000	\$54,900,000
Sources	\$329,900,000	\$359,900,000
• Assessments on Acute Hospitals and Ambulatory Surgical Centers	\$164,950,000	\$164,950,000
• Assessment on Insurers	\$164,950,000	\$164,950,000
• Commonwealth Care Trust Fund Transfer	\$0	\$30,000,000
Uses	\$349,200,000	\$360,877,350
• Health Safety Net Hospital Payments	\$267,800,000	\$269,000,000
• Health Safety Net CHC Payments and Demonstration Programs	\$69,000,000	\$81,000,000
• Health Safety Net Claims Operations	\$11,400,000	\$9,877,350
• Inspector General Health Safety Net Audit Unit	\$1,000,000	\$1,000,000
Ending Balance	\$54,900,000	\$53,922,650

Source: Massachusetts Executive Office for Administration and Finance.

TABLE B3: MEDICAL ASSISTANCE TRUST FUND

	FY2015 Estimated Spending	FY2016 GAA	FY2017*
Sources	\$825,000,000	\$632,000,000	FY2017 Budget
• General Fund Appropriation (1595-1068)	\$412,000,000	\$462,000,000	
• General Fund Supplemental Appropriation	\$227,500,000	\$0	
• Cambridge Public Health Commission Transfer	\$185,500,000	\$170,000,000	
Uses	\$823,000,000	\$632,000,000	\$52,000,000
2014 Date-of-Service Payments	\$243,000,000	\$0	\$0
• State Plan—Upper Payment Limit—Hospital (UMMHC)	\$212,000,000	\$0	\$0
• State Plan—Upper Payment Limit (CHA)	\$31,000,000	\$0	\$0
2015 Date-of-Service Payments	\$580,000,000	\$52,000,000	\$0
• Public Service Hospital Payment (BMC)	\$0	\$52,000,000	\$0
• Public Service Hospital Payment (CHA)	\$88,000,000	\$0	\$0
• Public Hospital Transformation & Incentive Initiative (CHA)	\$220,000,000	\$0	\$0
• State Plan—Upper Payment Limit—Providers (UMMHC)	\$28,000,000	\$0	\$0
• State Plan—Upper Payment Limit—Hospital (UMMHC)	\$212,000,000	\$0	\$0
• State Plan—Upper Payment Limit (CHA)	\$32,000,000	\$0	\$0
2016 Date-of-Service Payments	\$0	\$580,000,000	\$52,000,000
• Public Service Hospital Payment (BMC)	\$0	\$0	\$52,000,000
• Public Service Hospital Payment (CHA)	\$0	\$88,000,000	\$0
• Public Hospital Transformation & Incentive Initiative (CHA)	\$0	\$220,000,000	\$0
• State Plan—Upper Payment Limit—Providers (UMMHC)	\$0	\$28,000,000	\$0
• State Plan—Upper Payment Limit—Hospital (UMMHC)	\$0	\$212,000,000	\$0
• State Plan—Upper Payment Limit (CHA)	\$0	\$32,000,000	\$0

* Subject to FY2017 budget appropriations.

Source: Massachusetts Office of Medicaid.

TABLE B4: DELIVERY SYSTEM TRANSFORMATION INCENTIVE (DSTI) TRUST FUND

	FY2015	FY2016	FY2017*
Sources	\$127,384,418	\$211,568,273	FY2017 Budget
• General Fund Appropriation (1595-1067)	\$116,171,085	\$189,141,606	
• Cambridge Public Health Commission Transfer	\$11,213,333	\$22,426,667	\$12,334,667
Uses	\$127,384,419	\$213,810,939	
FY2014 DSTI Payments (by Date of Service)	\$127,384,419	\$0	\$0
• Boston Medical Center (BMC)	\$74,494,419	\$0	\$0
• Cambridge Health Alliance (CHA)	\$22,426,667	\$0	\$0
• Holyoke Medical Center	\$4,076,667	\$0	\$0
• Lawrence General Hospital	\$7,216,667	\$0	\$0
• Mercy Medical Center	\$7,606,667	\$0	\$0
• Signature Healthcare Brockton Hospital	\$8,356,667	\$0	\$0
• Steward Carney Hospital	\$3,206,667	\$0	\$0
FY2015 DSTI Payments (by Date of Service)	\$0	\$209,333,333	\$0
• Boston Medical Center (BMC)	\$0	\$103,553,333	\$0
• Cambridge Health Alliance (CHA)	\$0	\$44,853,333	\$0
• Holyoke Medical Center	\$0	\$8,153,333	\$0
• Lawrence General Hospital	\$0	\$14,433,333	\$0
• Mercy Medical Center	\$0	\$15,213,333	\$0
• Signature Healthcare Brockton Hospital	\$0	\$16,713,333	\$0
• Steward Carney Hospital	\$0	\$6,413,333	\$0
FY2016 DSTI Payments (by Date of Service)	\$0	\$0	\$115,133,333
• Boston Medical Center (BMC)	\$0	\$0	\$56,954,333
• Cambridge Health Alliance (CHA)	\$0	\$0	\$24,669,333
• Holyoke Medical Center	\$0	\$0	\$4,484,333
• Lawrence General Hospital	\$0	\$0	\$7,938,333
• Mercy Medical Center	\$0	\$0	\$8,367,333
• Signature Healthcare Brockton Hospital	\$0	\$0	\$9,192,333
• Steward Carney Hospital	\$0	\$0	\$3,527,333

* Subject to FY2017 budget appropriations.

Source: Massachusetts Office of Medicaid.