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# MASSHEALTH: THE BASICS WEBINAR

October 11, 2017



**WEBINAR  
OVERVIEW**

- MassHealth Basics
- MassHealth Delivery and Payment System Reforms

**PRESENTERS**

- Massachusetts Medicaid Policy Institute,  
Blue Cross Blue Shield of Massachusetts Foundation
  - Kaitlyn Kenney Walsh
  - Jessica Gottsegen
- Center for Health Law and Economics,  
University of Massachusetts Medical School
  - Robert Seifert

**FUNDAMENTALS  
OF MASSHEALTH**

- MassHealth is Medicaid (Title XIX of the Social Security Act) and the State Children's Health Insurance Program (CHIP, Title XXI)
- Safety net for people who do not qualify for or cannot afford other coverage; also helps make other coverage affordable
- Makes access to health care possible for people with some of the greatest, most complex needs
- Federally- and state-funded
- State-administered — by the Executive Office of Health and Human Services
- Covers more than one quarter of the state population
- Estimated to bring in \$10B in federal revenue in state fiscal year (SFY) 2017

**POLICY  
CHALLENGES**

- Spending (not inflation adjusted) nearly doubled in past 10 years
- At \$14.8 billion in SFY2016, MassHealth represents 38 percent of the state budget (including federal share)
- Coordination and integration of physical health care with behavioral health (including substance use disorder services) and long-term services and supports

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

## MassHealth

*Covers typical commercial benefits, plus:*

- Long-term services and supports (facility and community)\*
- Diversionary behavioral health services (to avert hospitalization)
- Dental services
- Transportation to medical appointments\*



### Typical Commercial Insurance Coverage

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

\* Long-term services and supports and transportation to medical appointments are available to most but not all MassHealth members.

## MASSHEALTH ELIGIBILITY (rough guide)

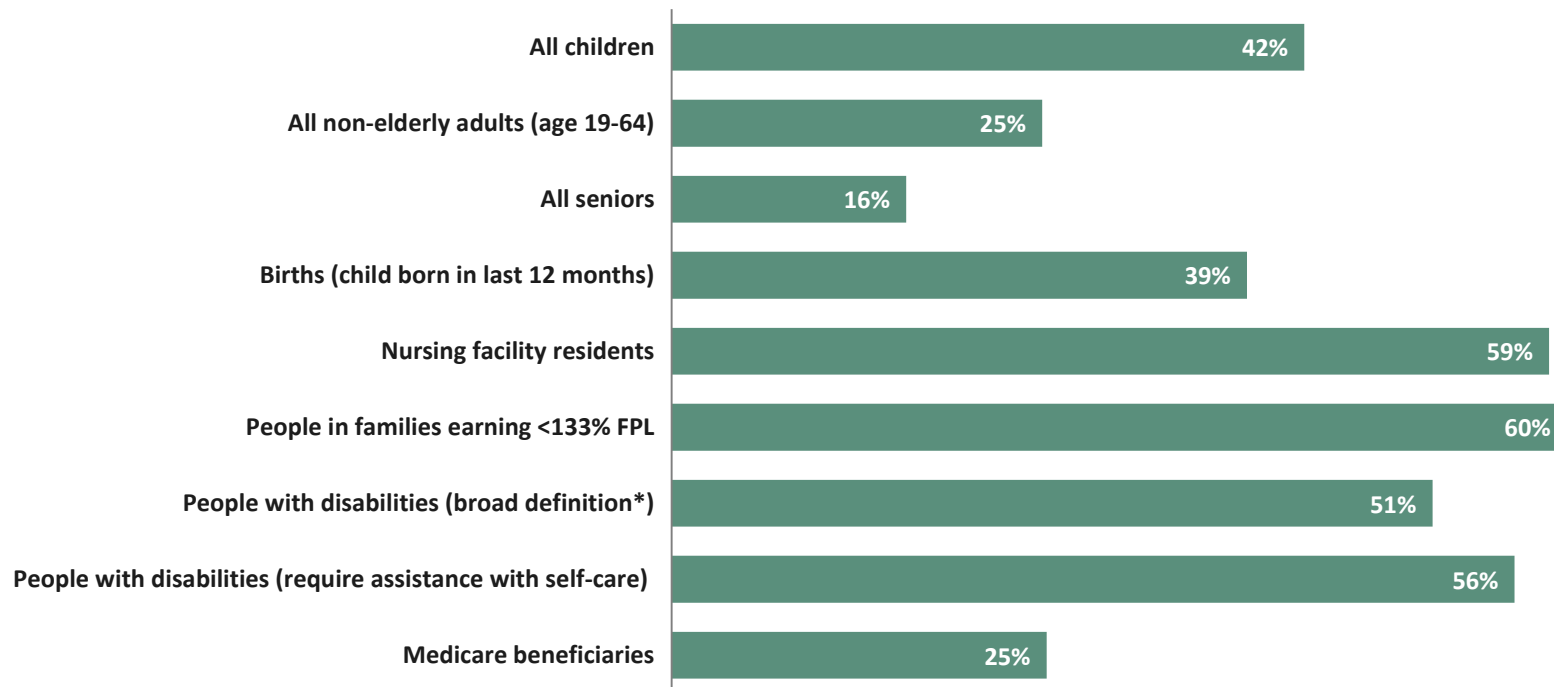
POPULATION	FAMILY INCOME LIMIT, 2017			
	% FPL*	Single	Two-person	Family of Three
Children through age 18	300%	N/A	\$48,720	\$61,260
People with disabilities (age 0–64)	No income limit; those with higher incomes pay sliding-scale premium			
Former foster care children up to age 26	No income limit			
Individuals with breast or cervical cancer	250%	\$30,150	\$40,600	\$50,600
Pregnant women and persons with HIV	200%	\$24,120	\$32,480	\$40,840
Adults ages 19–64 without one of the above conditions	133%	\$16,040	\$21,648	\$27,226
Elders 65+ residing in the community	100%	\$12,060 (individual); \$16,240 (couple) Plus asset test** ≤ \$2,000 individual; ≤ \$3,000 couple		
Elders 65+ residing in nursing facilities	Incomes can be higher, but must pay most income towards nursing facility cost; community spouse can keep some assets**			

\* FPL = Federal Poverty Level.

\*\* Certain assets—home (in most cases), vehicle, life insurance, and burial expenses up to \$1,500—are excluded.

# MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH, 2015

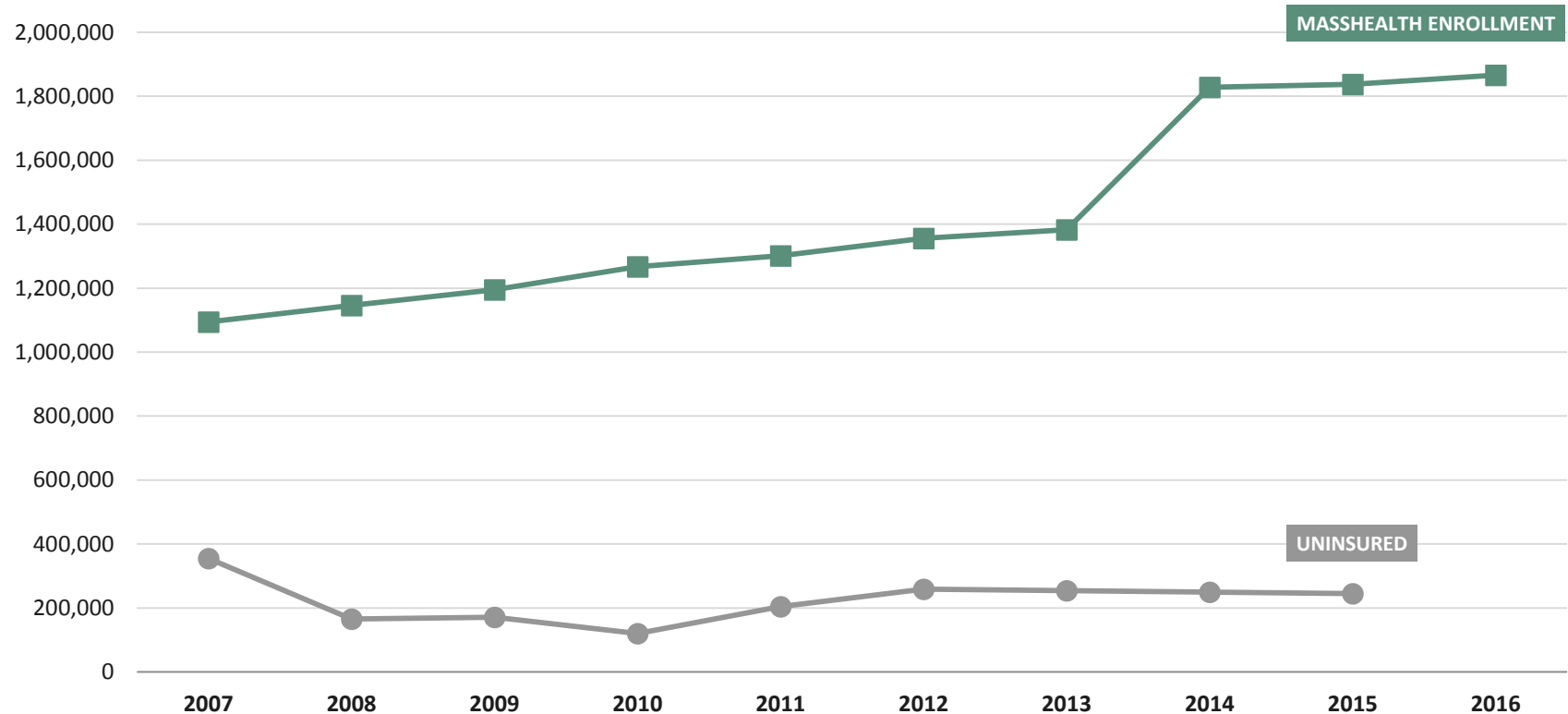


\*Deaf or serious difficulty hearing; blind or serious difficulty seeing; cognitive, ambulatory, self care or independent living difficulty

SOURCES: Authors' calculations using the 2015 American Community Survey (ACS). Nursing facility data from MassHealth bed census and payment category data as of July 2015. Data for "all children," "all non-elderly adults" and "all seniors" calculated from 2015 ACS population data and MassHealth Snapshot report, enrollment for 12/31/15, as of May 2017.

# MASSHEALTH ENROLLMENT GREW AS THE NUMBER OF UNINSURED LEVELED OFF, BUT HAS SLOWED RECENTLY

TRENDS IN MASSHEALTH ENROLLMENT AND UNINSURED, CY 2007–2016

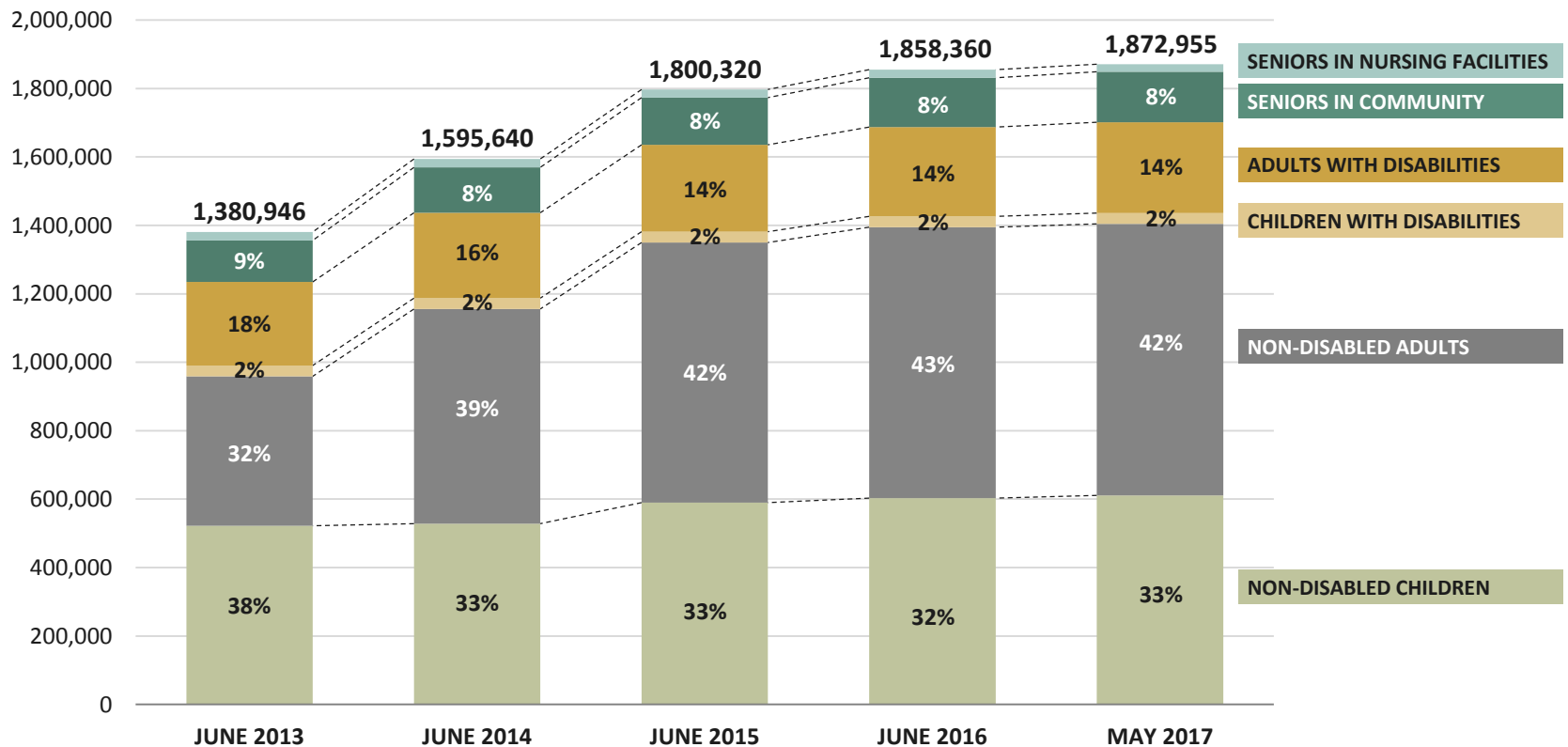


SOURCES: MassHealth figures monthly averages from the Office of Medicaid. Uninsured numbers for 2007–2011 from the Division of Health Care Finance and Policy, from a survey in that year, for 2012–2013 from the American Community Survey (ACS), and for 2014–2015 from the Massachusetts Health Insurance Survey, conducted by the Center for Health Information and Analysis. Uninsured data for 2016 not available.

# ACA IMPLEMENTATION HAS DRIVEN RECENT MASSHEALTH ENROLLMENT GROWTH, SHIFTING THE DISTRIBUTION OF MEMBERS TOWARD NON-ELDERLY, NON-DISABLED ADULTS

## DISTRIBUTION OF MASSHEALTH ENROLLMENT, 2013-2017

(NUMBER OF MEMBERS)

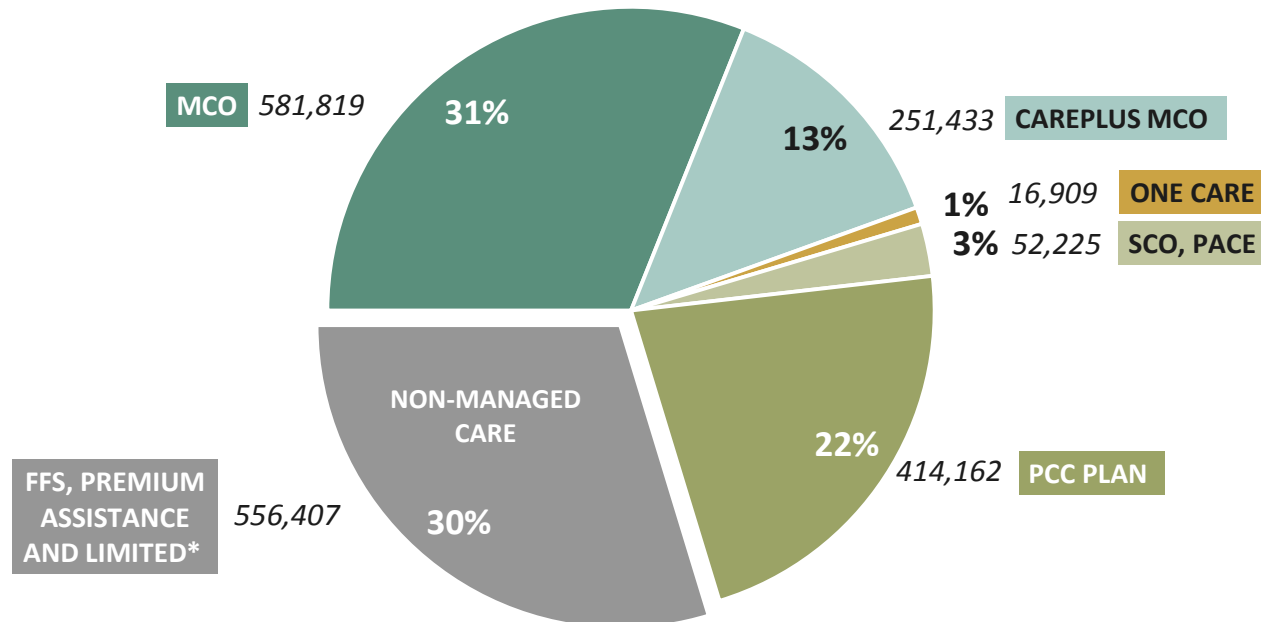


SOURCE: MassHealth, May 2017 Snapshot Report. Figures exclude applicants assigned "Temporary Medicaid" status in 2014. Percentages may not sum to 100 due to rounding.



# SEVENTY PERCENT OF MASSHEALTH MEMBERS ARE ENROLLED IN MANAGED CARE

MASSHEALTH ENROLLMENT BY PAYER TYPE, MAY 2017

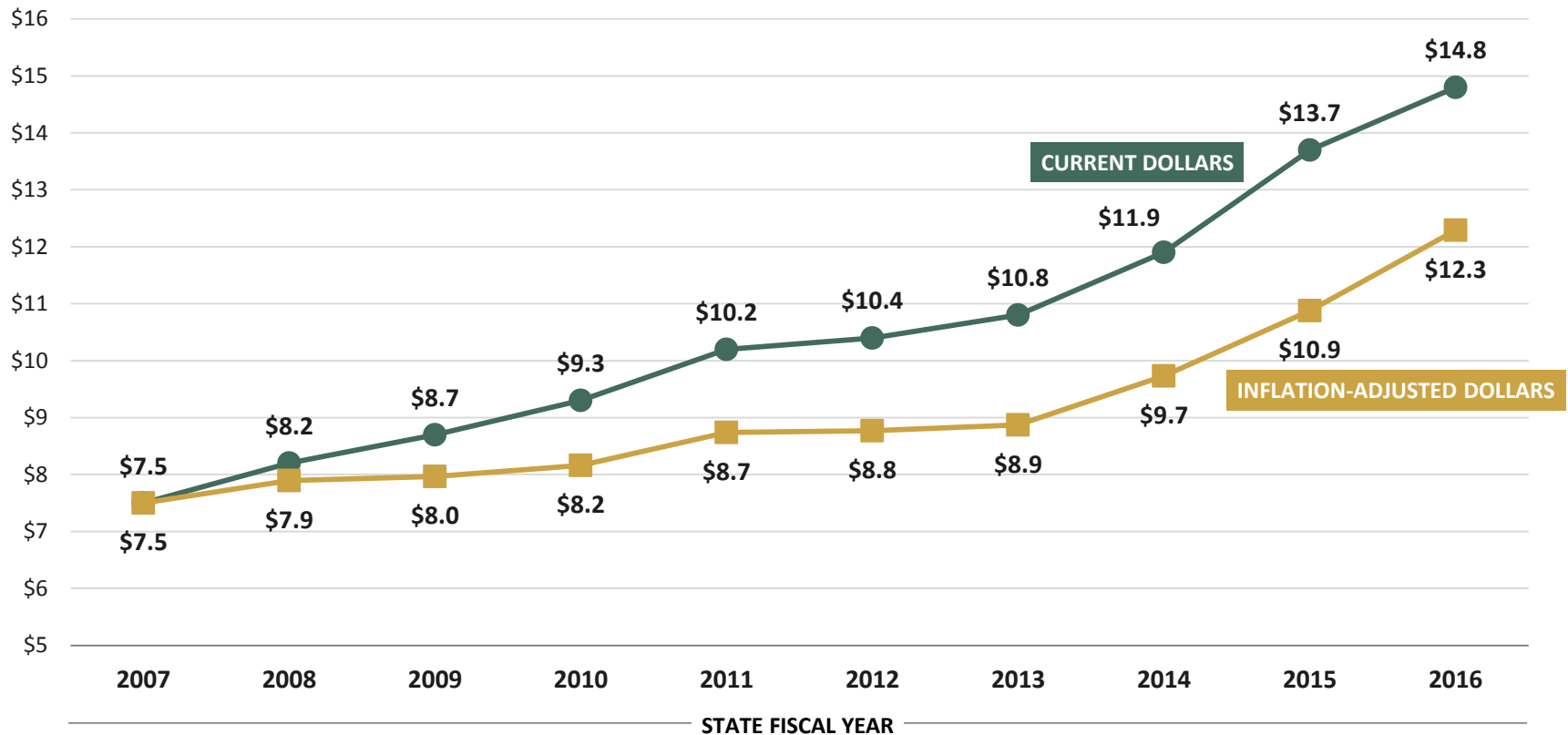


\*MassHealth Limited provides coverage for emergency medical services for 157,000 undocumented non-citizens.

SOURCE: MassHealth, May 2017 Snapshot Report.

# NOMINAL MASSHEALTH SPENDING NEARLY DOUBLED OVER TEN YEARS; WHEN ADJUSTED FOR MEDICAL COST INFLATION, GROWTH WAS GRADUAL UNTIL 2014

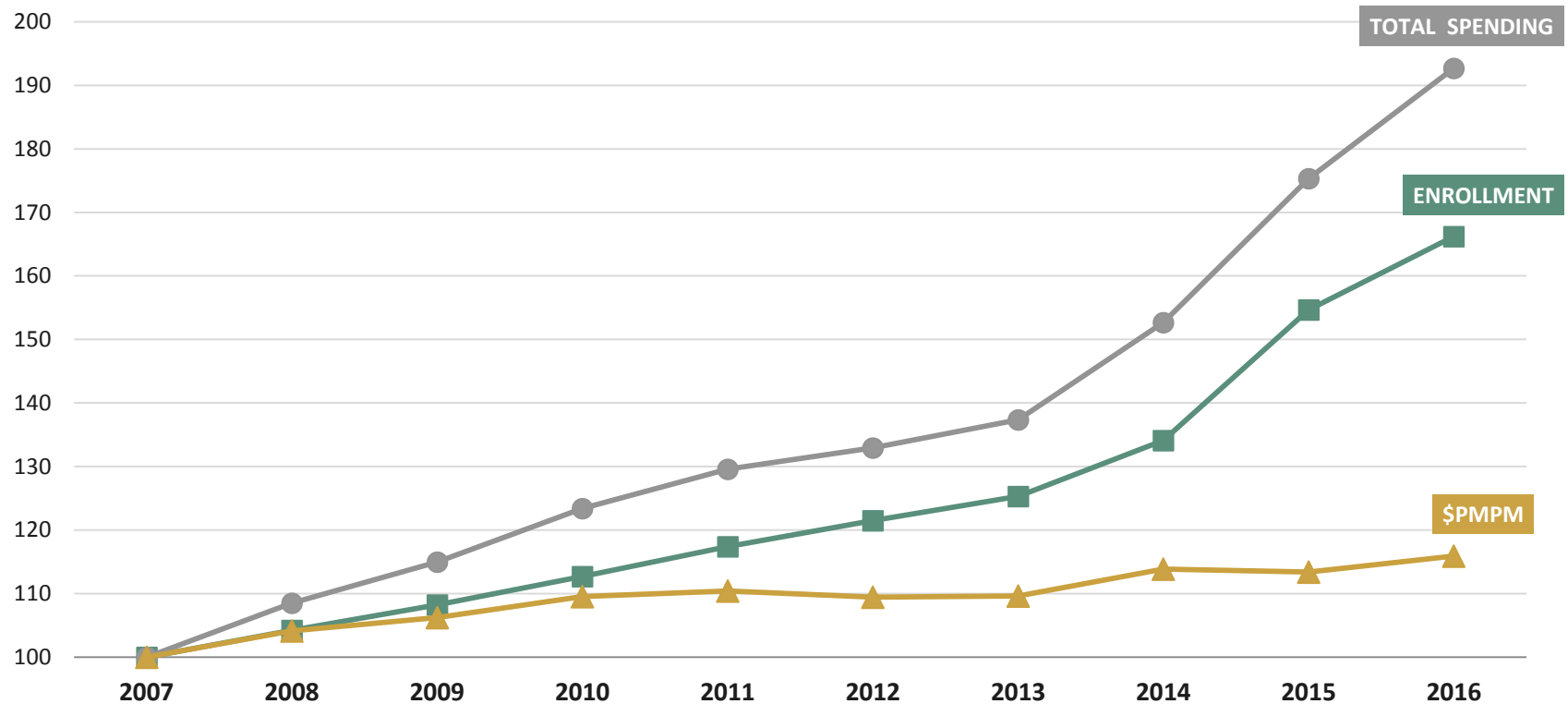
**MASSHEALTH TOTAL PROGRAMMATIC CASH SPENDING, SFY2007-2016**  
(BILLIONS OF DOLLARS)



SOURCES: MassHealth Budget Office. Inflation adjustment uses the Medical Consumer Price Index for the Boston area, from the U.S. Bureau of Labor Statistics.

# ENROLLMENT, MORE THAN PER MEMBER COST, HAS DRIVEN GROWTH IN MASSHEALTH SPENDING

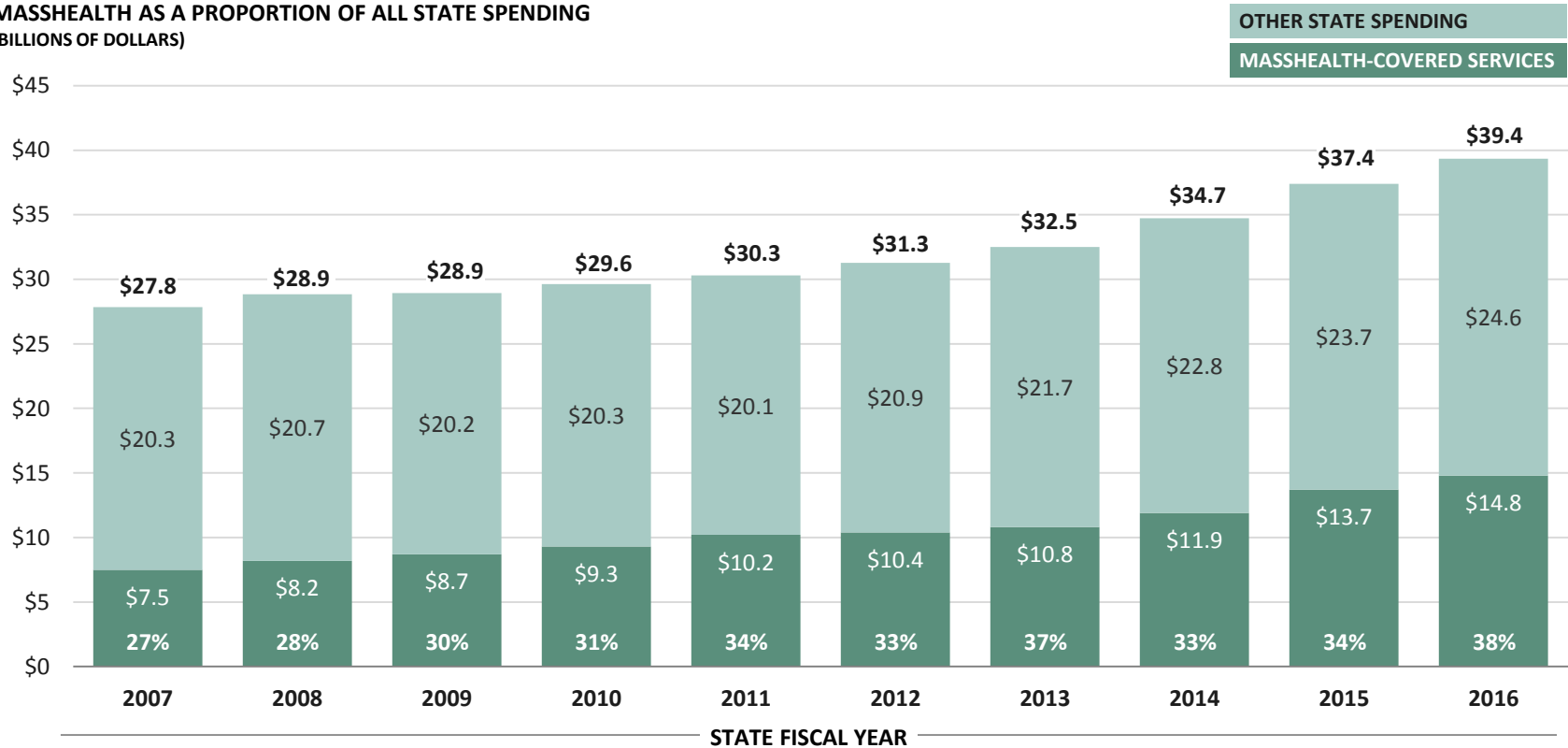
**GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT AND PER MEMBER PER MONTH (PMPM) COSTS**  
(YEAR 2007 = 100)



SOURCE: MassHealth Budget Office (total date of service spending and enrollment) and authors' calculations. Excludes spending and enrollment for "Temporary Medicaid" category.

# STATE AND FEDERAL SPENDING ON MASSHEALTH REPRESENTS NEARLY 40 PERCENT OF THE STATE BUDGET

**MASSHEALTH AS A PROPORTION OF ALL STATE SPENDING**  
(BILLIONS OF DOLLARS)

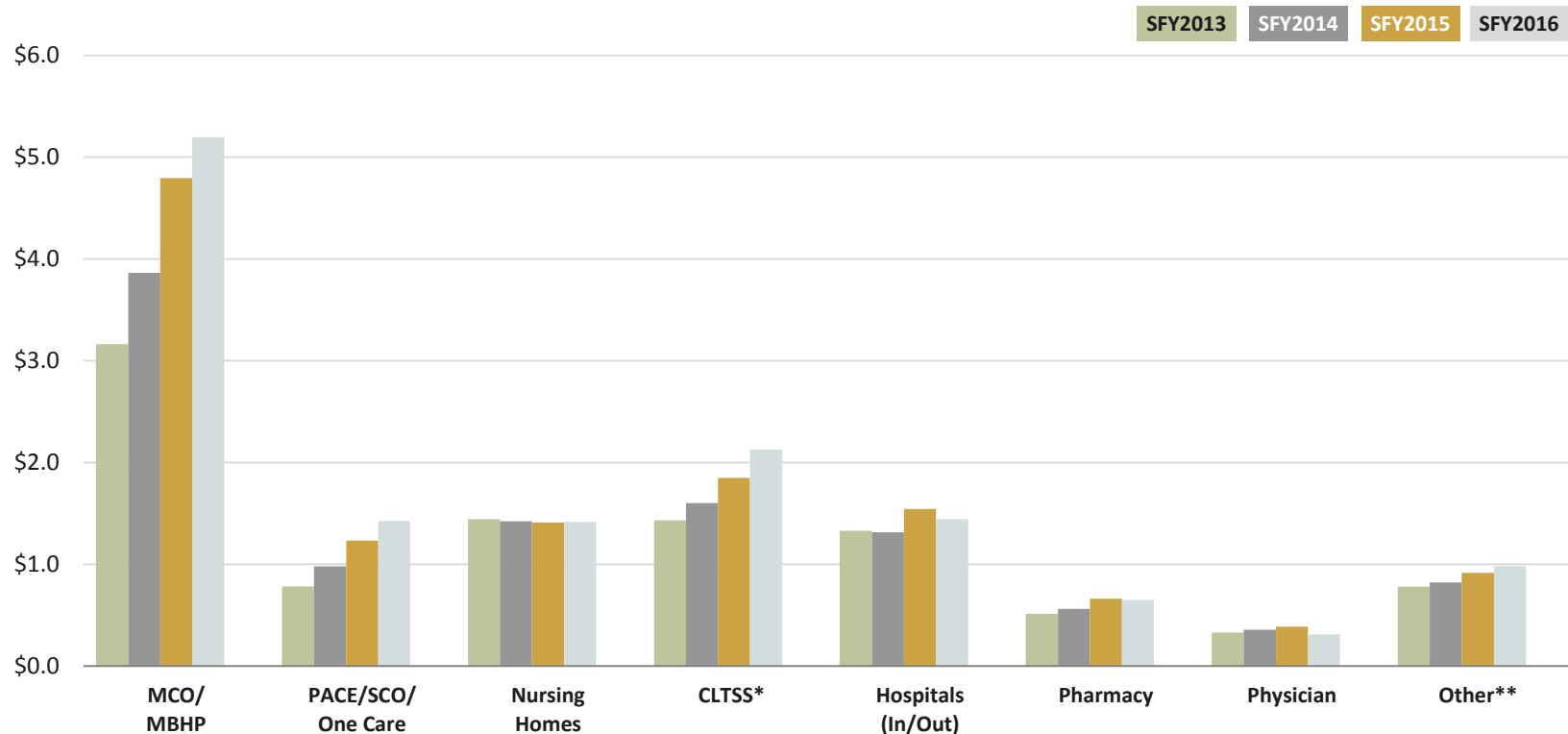


NOTE: MassHealth spending includes medical benefits provided by MassHealth and other benefits, most notably Medicare premiums. The figures do not include Medicaid-reimbursable services from other state agencies, administrative spending or supplemental payments to hospitals.

SOURCES: EOHHS (MassHealth data); Office of the Comptroller, Statutory Basis Financial Reports (other state spending). Mass Budget and Policy Center (calculation of state spending net of federal revenues; SFY 2018 estimate).

# TRENDS IN MASSHEALTH SPENDING BY SERVICE TYPE

**MASSHEALTH SPENDING TRENDS BY CATEGORY OF SERVICE BETWEEN STATE FISCAL YEARS 2013–2016**  
(BILLIONS OF DOLLARS)



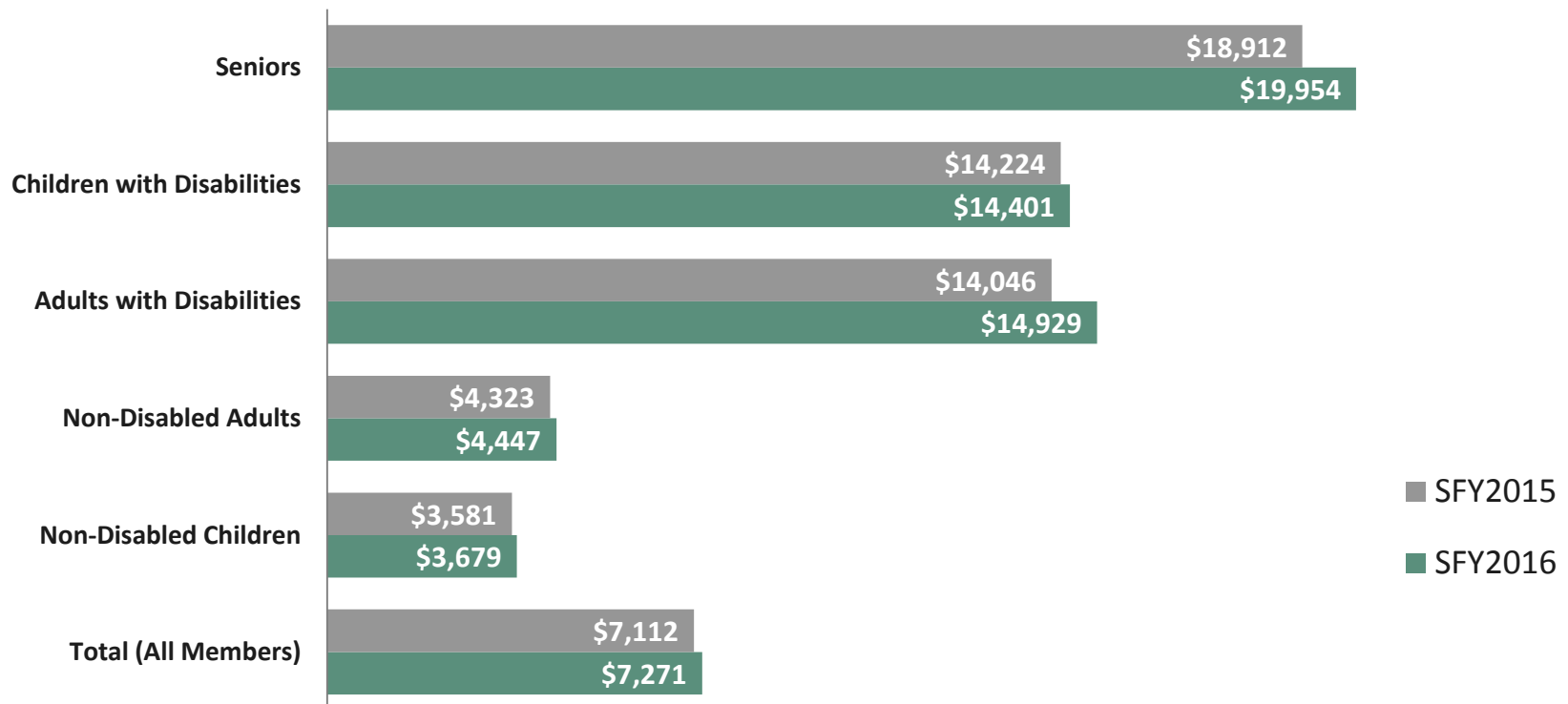
\*CLTSS are long-term services and supports provided to people to enable them to live in the community.

\*\*Services included in the “other” category include transportation, dental, community health centers and mental health clinics, among other services.

SOURCE: MassHealth Budget Office date of service spending.

# MASSHEALTH SPENDS MORE PER ENROLLEE FOR SENIORS AND PEOPLE WITH DISABILITIES

MASSHEALTH PAYMENTS PER ENROLLEE PER YEAR, SFY2015 - SFY2016



SOURCE: Calculations based on total spending and member months from the MassHealth Budget Office; data as of May 2017. Based on date of service spending. Excludes spending and enrollment for Temporary category.

## WAIVERS

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- Two types: 1115 and 1915c, which allow states to waive certain parts of federal Medicaid Law
- 1915c Home & Community-Based Services Waivers
  - Provide long-term services and supports in a home or community settings to members with disabilities who would otherwise qualify for institutional care
  - Massachusetts has multiple waivers, covering frail elders, adults with intellectual disabilities, children with autism and others
- Section 1115 Research and Demonstration Waiver since 1997
  - Vehicle for reform
  - Expanded eligibility to those with higher incomes
  - Programmatic innovations
  - Supplemental financial support for safety net providers

## GOALS OF THE 1115 WAIVER, STATE FISCAL YEARS 2018-2022

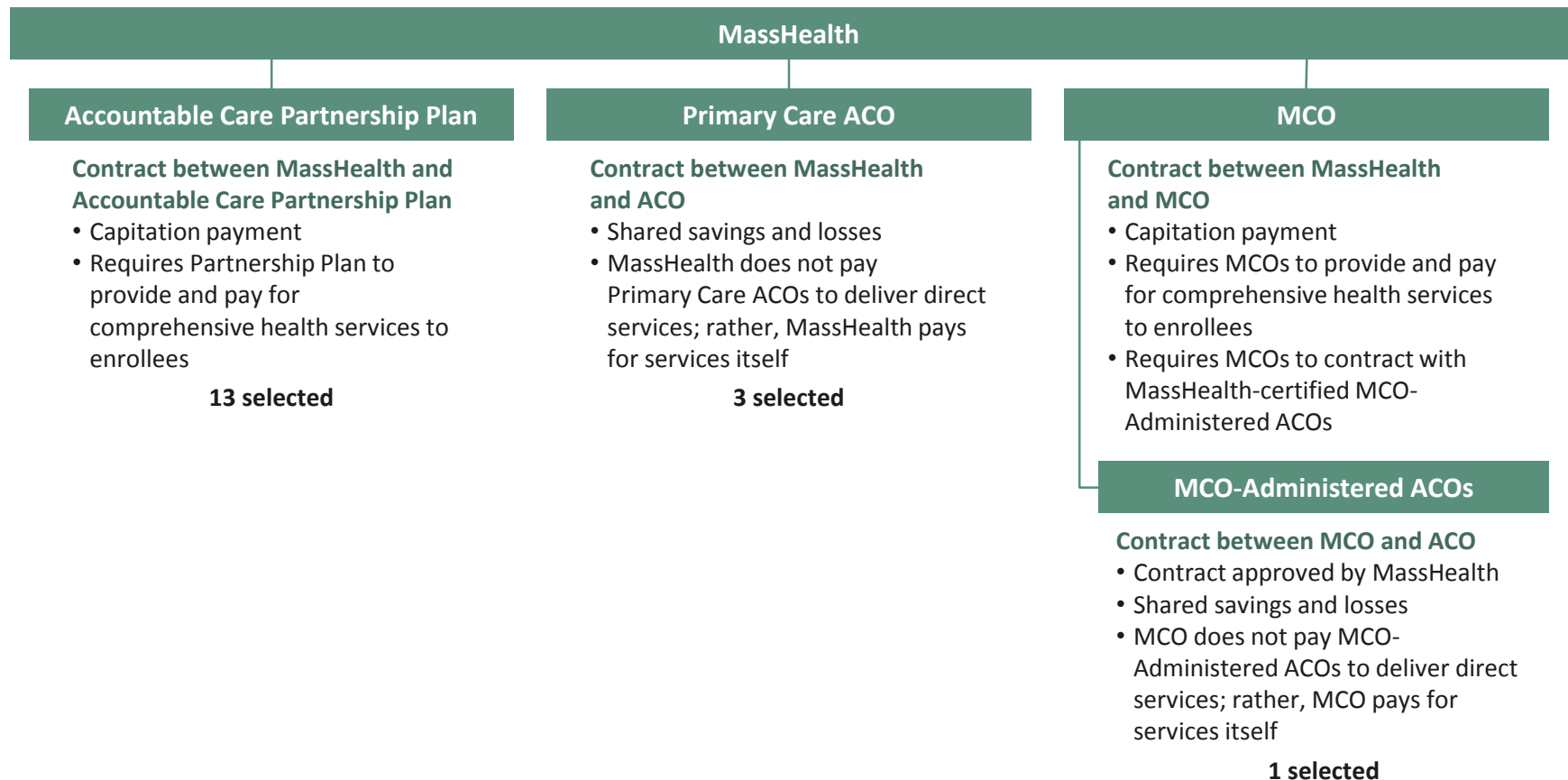
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- **Payment and delivery system reform to promote member-driven, coordinated care and hold providers accountable for the quality and total cost of care**
- **Integration of physical health, behavioral health, long-term services and supports, and health-related social services**
- Maintain near-universal coverage
- Sustainably support safety net providers
- **Address the opioid addiction crisis by expanding access to a broad spectrum of recovery-oriented substance use disorder services**



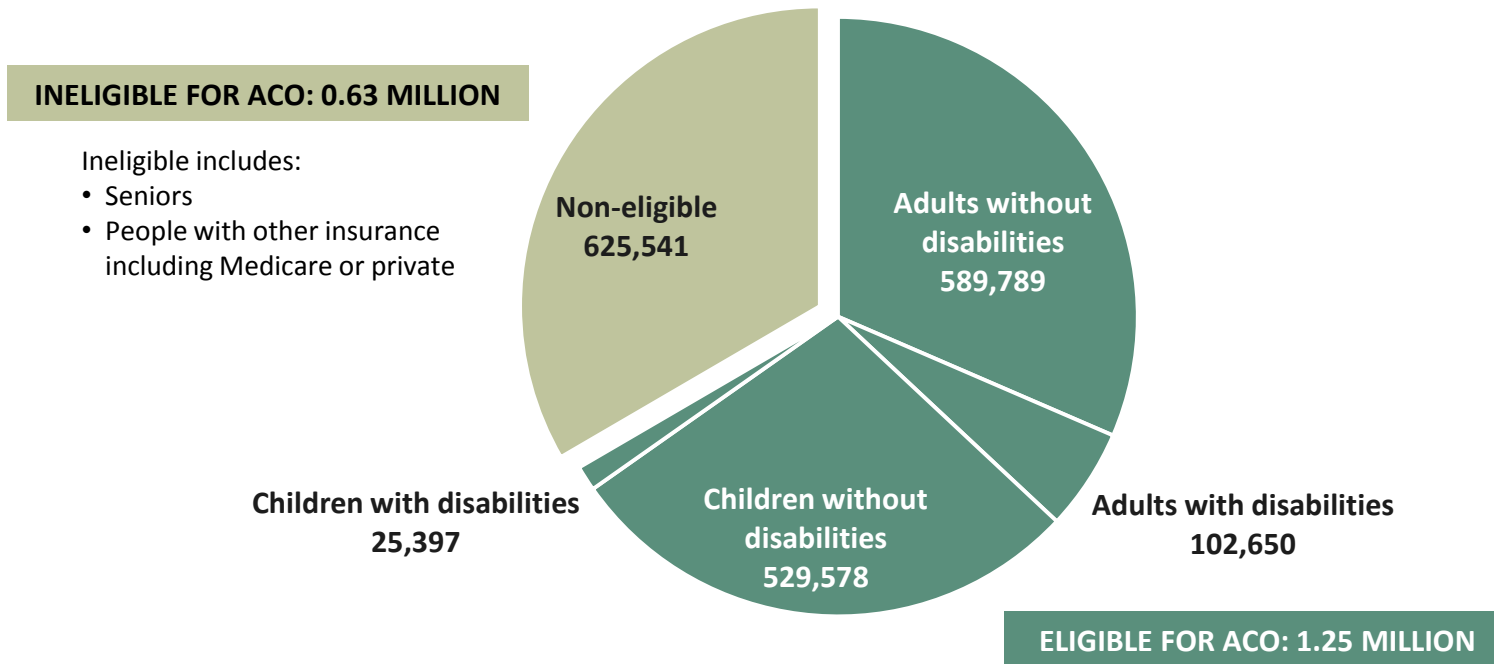
# ACCOUNTABLE CARE ORGANIZATIONS: PROVIDER ENTITIES HELD FINANCIALLY ACCOUNTABLE FOR THE COST AND QUALITY OF CARE FOR THEIR MEMBER POPULATIONS

## Three Varieties of MassHealth ACOs



# MASSHEALTH MEMBERS ELIGIBLE FOR ACO ENROLLMENT

## Total MassHealth Enrollment 1.87 Million (May 2017)



SOURCE: MassHealth, May 2017 Snapshot Report.

## COMMUNITY PARTNERS: CONNECT ACO MEMBERS TO COMMUNITY RESOURCES TO MEET BH AND LTSS NEEDS

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- Promote integration of care and improved member experience, continuity and quality of care
- Offer the expertise, capabilities, and cultural/linguistic attentiveness of existing community-based organizations
- Provide services to members with complex needs for:
  - Behavioral Health
  - Long-term Services and Supports

## DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS (DSRIP)

- The 1115 waiver agreement includes \$1.8 billion to support the transformation:

Objective	Five Year Funding (% of DSRIP Funding)
ACO Development	\$1.065B (60%)
Community Partners: care coordination and capacity building	\$546M (30%)
Statewide Investments: student loan repayment, primary care residency training, workforce development, more	\$115M (6%)
State Operations & Implementation	\$73M (4%)
<b>TOTAL</b>	<b>\$1.8B</b>

- Up to 20 percent of the ACO and CP payments will be tied to performance, measured by an “accountability score”

## ACO IMPLEMENTATION TIMELINE

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MassHealth signs contracts with ACOs	August 2017
ACO readiness review	August 2017–February 2018
Community Partners selected	August 2017
First DSRIP payments	September 2017
ACO Program launch; prospective enrollment begins	January 1, 2018
ACOs begin operating	March 1, 2018
Community Partners begin operating	June 1, 2018

SOURCE: MassHealth, “ACO Timeline Update as of 7.13.17” and communication with MassHealth staff.

## CONTACT INFORMATION

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Download the complete *MassHealth: The Basics* chart pack at  
<https://bluecrossmafoundation.org/publication/updated-masshealth-basics-september-2017>