

MassHealth: The Basics

FACTS AND TRENDS

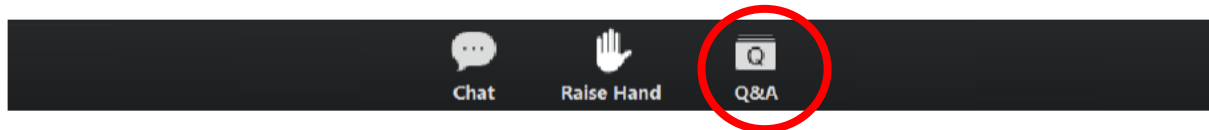
PREPARED BY
COMMONWEALTH MEDICINE
UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL

WEBINAR — October 29, 2019



WEBINAR HOUSEKEEPING

zoom



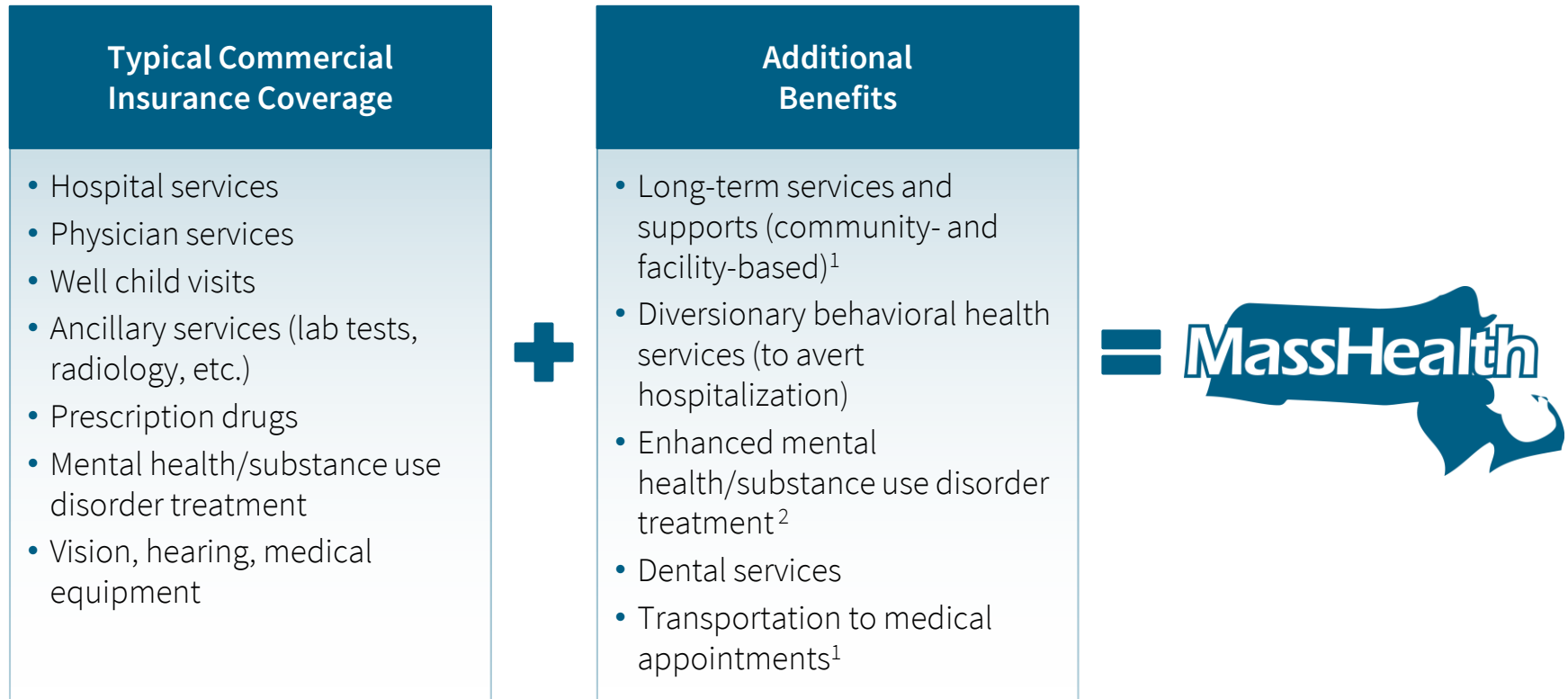
WEBINAR OVERVIEW

- Introduction
- Eligibility and Enrollment
- Spending and Cost Drivers
- MassHealth Delivery and Payment System Reforms

PRESENTERS

- Massachusetts Medicaid Policy Institute,
Blue Cross Blue Shield of Massachusetts Foundation
 - Katherine Howitt
 - Jessie Gottsegen
- Commonwealth Medicine,
University of Massachusetts Medical School
 - Rachel Gershon

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

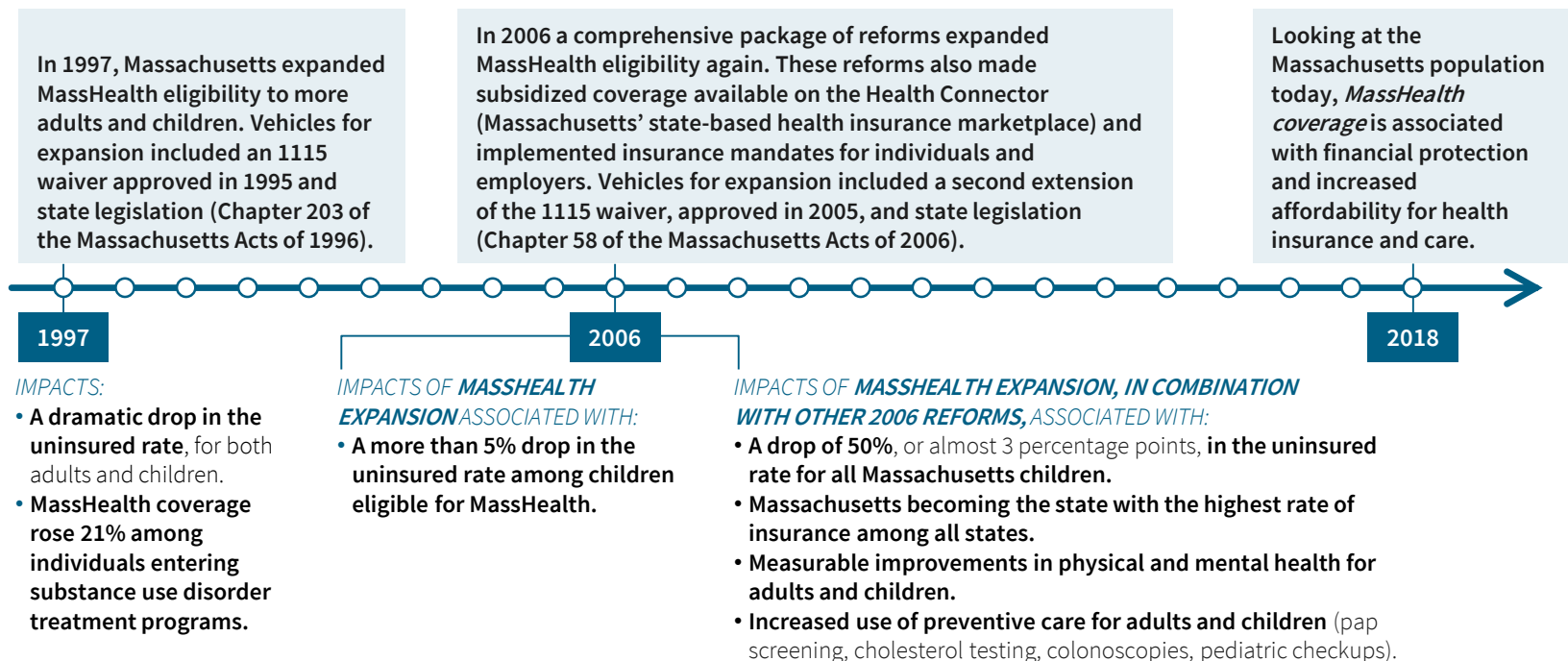


¹ LTSS and transportation to medical appointments are available to most but not all MassHealth members.

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/service-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.



MASSHEALTH ELIGIBILITY (ROUGH GUIDE)

POPULATION	FAMILY INCOME LIMIT (annual), 2019			
	% FPL ¹	Single	Two-person	Family of three
Children through age 18	300%	N/A	\$50,730	\$63,990
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%	\$31,225	\$42,275	\$53,325
HCBS waiver group (includes elders) ²	~229%	\$27,756		
Pregnant persons and persons with HIV	200%	\$24,980	\$33,820	\$42,660
Adults ages 19–20 without one of the above conditions	150%	\$18,735	\$25,365	\$31,995
Adults ages 21–64 who do not fit into one of the categories above	133%	\$16,612	\$22,490	\$28,369
Elders 65+ residing in the community	100%	\$12,490 (individual); Plus asset test \leq \$2,000 (individual) ²		
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 ³			

NOTE: There are eligibility nuances not included in this chart. MassHealth staff can help determine eligibility.

¹ FPL = Federal Poverty Level.

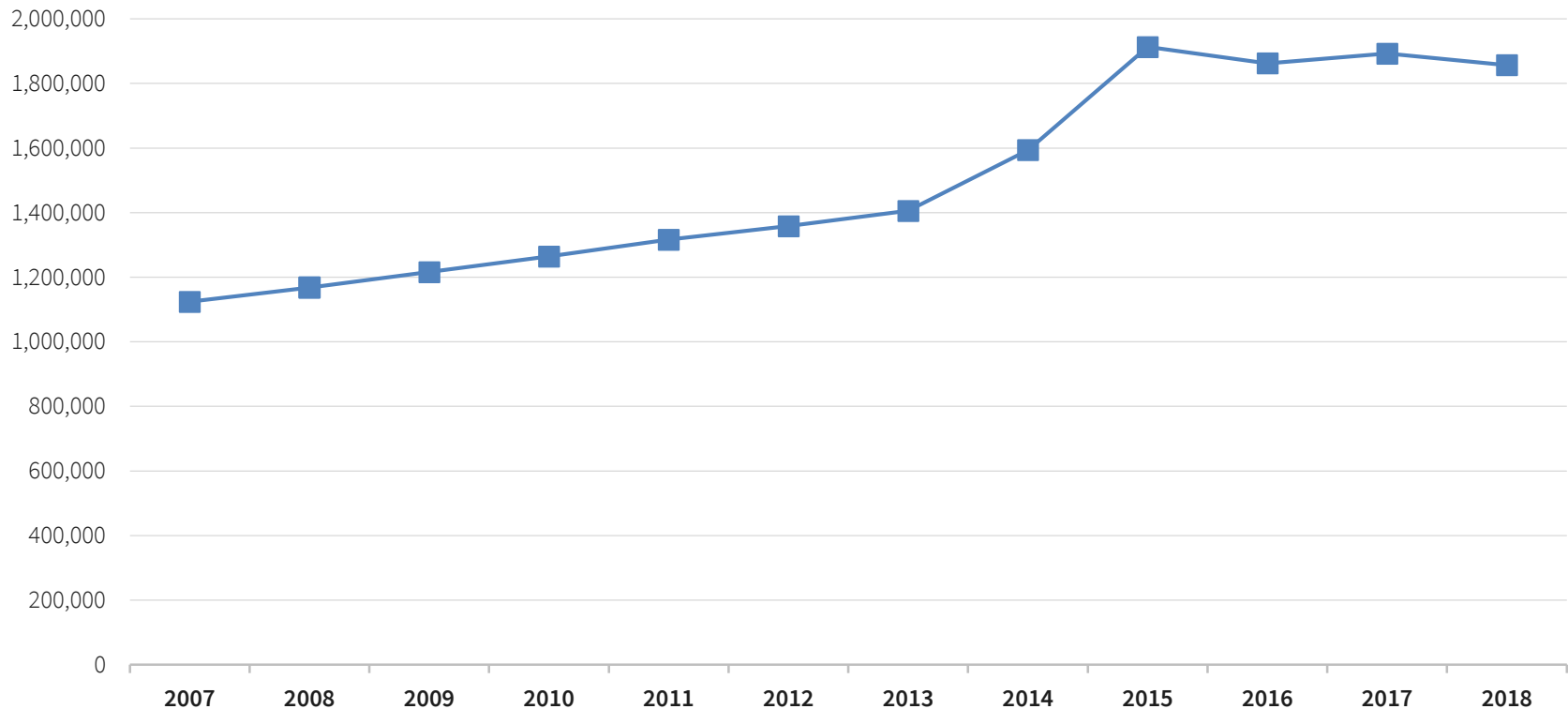
² Income may be counted for the individual only. Asset rules may apply. Income standard does not apply to autism waiver.

³ Certain assets—home (in most cases), vehicle, life insurance, and burial expenses up to \$1,500—are excluded.

In certain circumstances, income and asset spend-down is available. Income and asset limits are higher for a couple.

MASSHEALTH ENROLLMENT HAS BEEN RELATIVELY STABLE FOR THE PAST FOUR YEARS

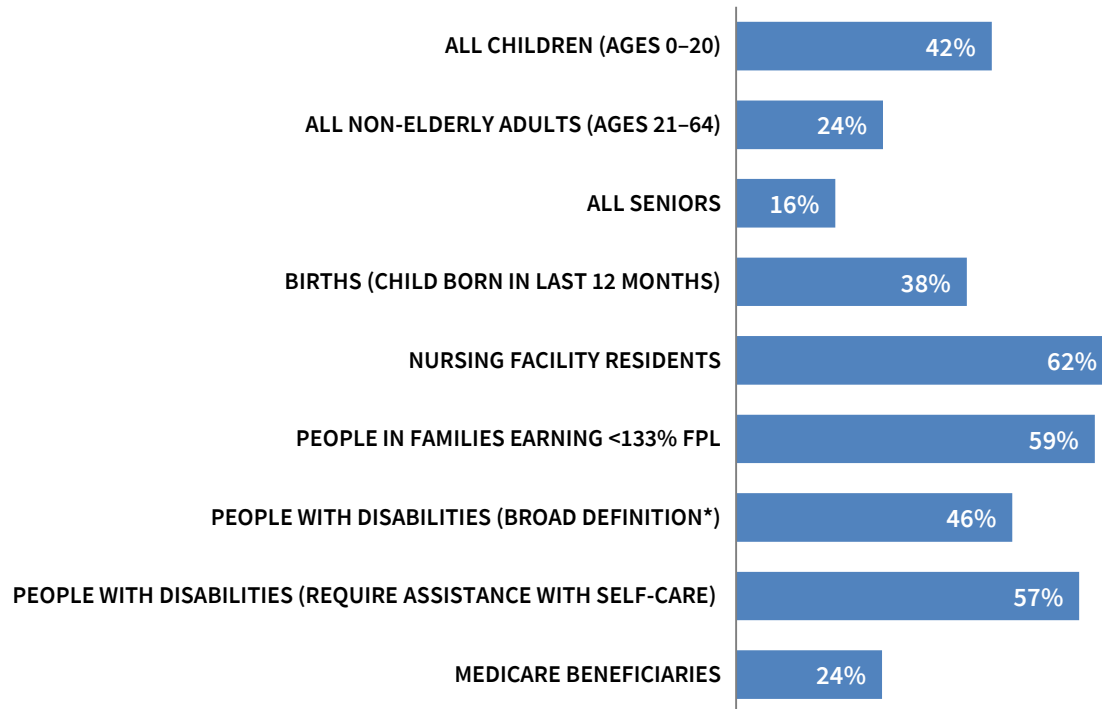
TRENDS IN MASSHEALTH ENROLLMENT, STATE FISCAL YEARS (SFY) 2007–2018



SOURCES: MassHealth Budget Office.

MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH, 2017

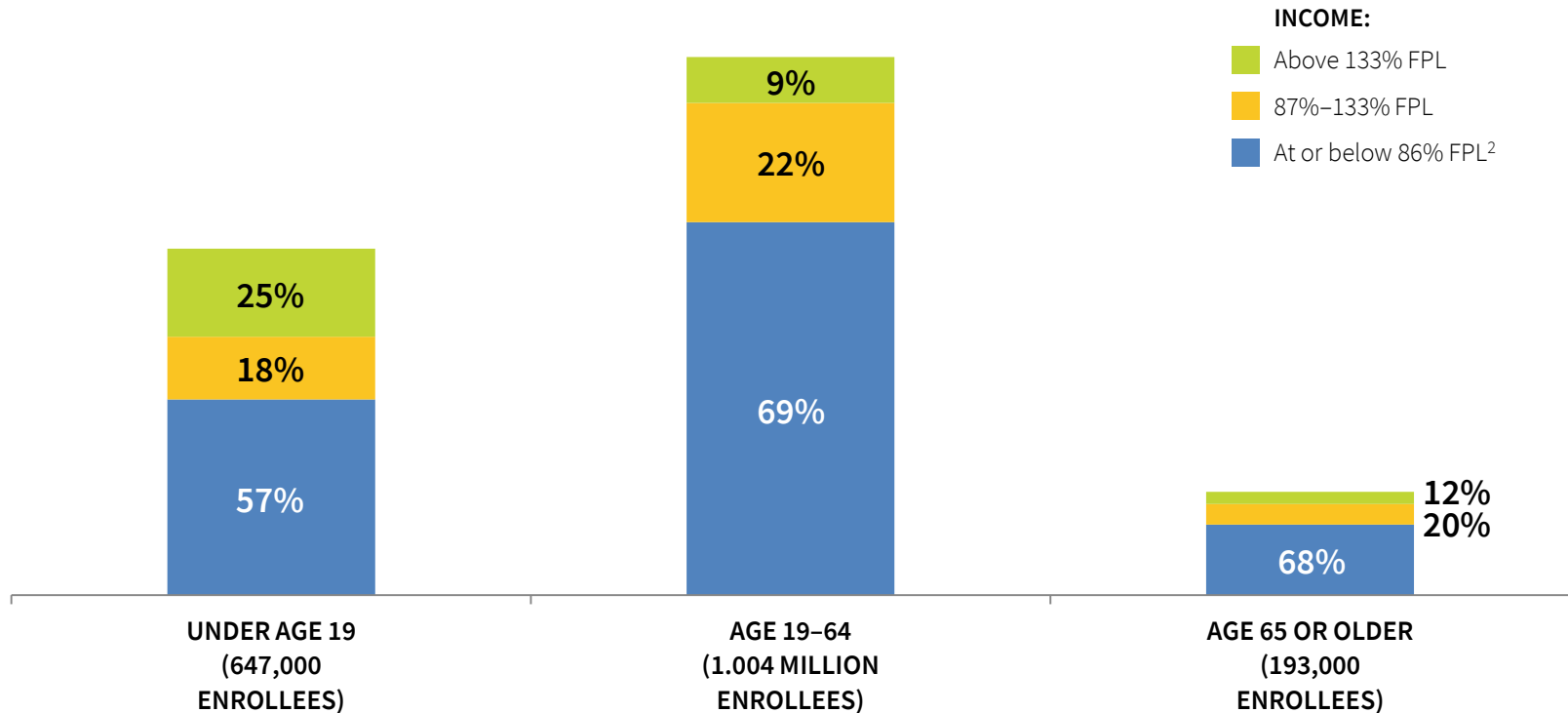


* Deaf or serious difficulty hearing; blind or serious difficulty seeing; cognitive, ambulatory, self-care, or independent living difficulty.

SOURCES: Authors' calculations using the 2013–2017 American Community Survey (ACS) 5-Year Estimates. 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 ACS population data and MassHealth February 2019 Snapshot report (enrollment data from 12/31/2017).

ADULTS ENROLLED IN MASSHEALTH HAVE PARTICULARLY LOW INCOMES — MOST BELOW 86% FPL (\$10,440 FOR AN INDIVIDUAL)

INCOME AS PERCENT OF FEDERAL POVERTY LEVEL (FPL) BY AGE GROUP FOR MASSHEALTH ENROLLEES¹



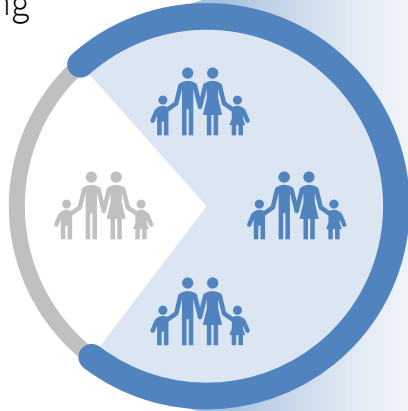
¹ Reflects individuals enrolled in MassHealth as of June 30, 2018. In 2018, for a family of three, 86% FPL was \$17,871, and 133% FPL was \$27,637.

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.

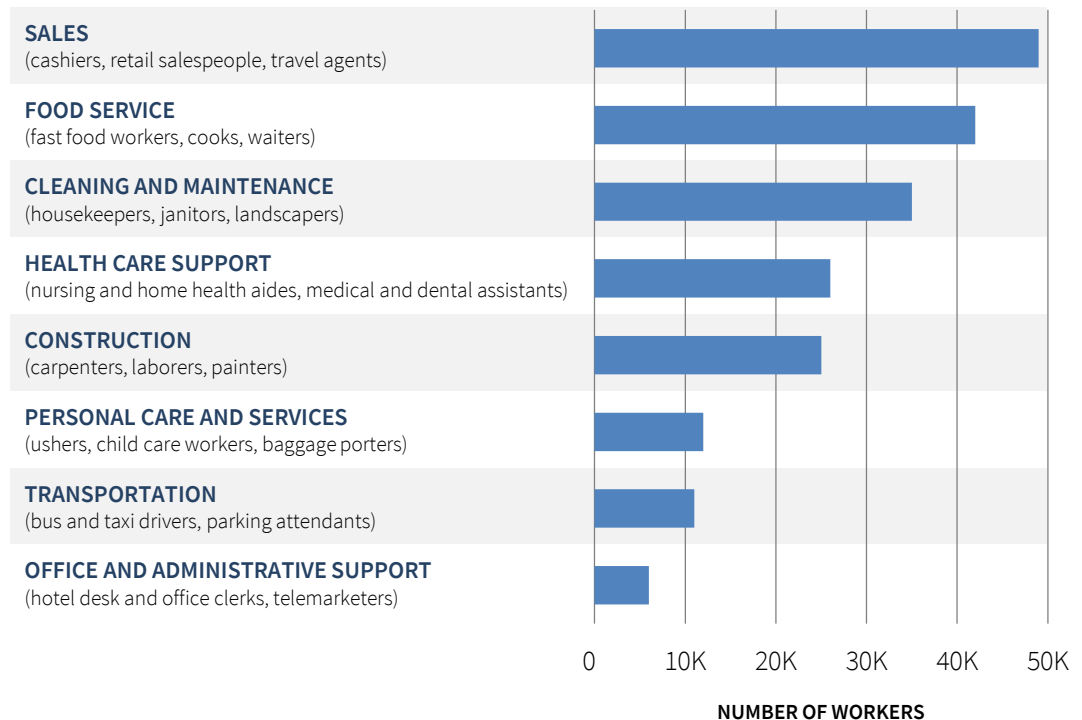
SOURCE: Manatt Health Strategies, LLC (2019). Faces of MassHealth: Portrait of a Diverse Population. *Blue Cross Blue Shield of Massachusetts Foundation*.

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

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



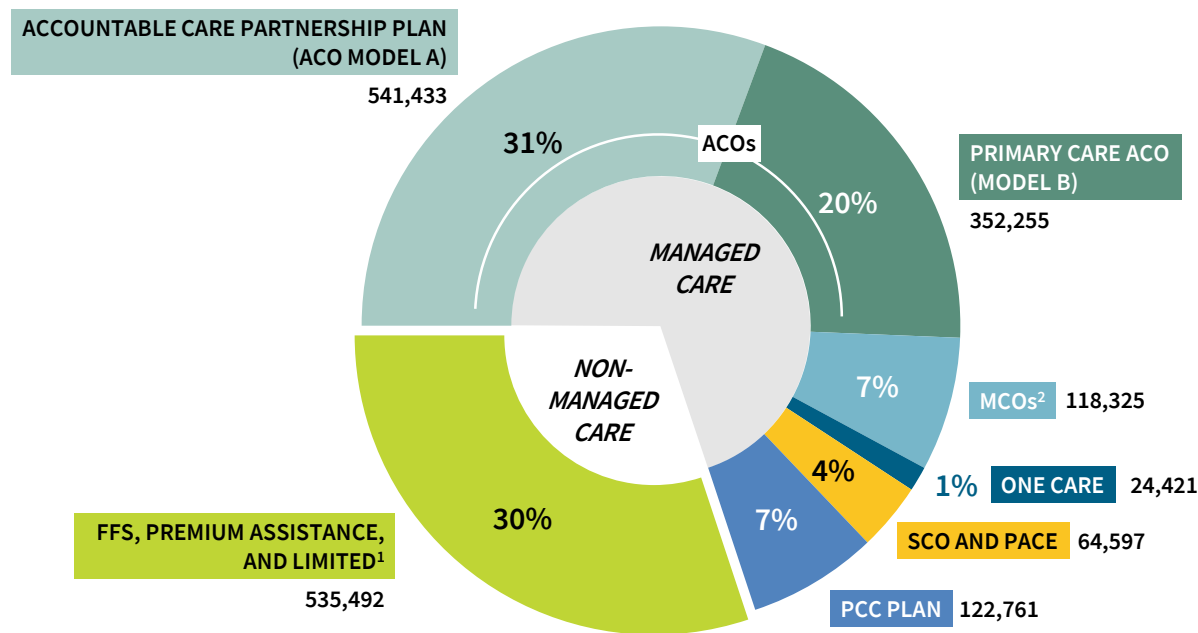
MassHealth provides health insurance coverage to low-income workers across a **wide range of industries**:



SOURCES: Authors' calculations using the American Community Survey (ACS) 2013–2017 5-Year Public Use Microdata Samples and the 2017 ACS 5-Year Population Estimate for Massachusetts. 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\"}](http://www.kff.org/medicaid/state-indicator/distribution-by-employment-status-4/?currentTimeframe=0&selectedRows={\).

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

MASSHEALTH ENROLLMENT BY PAYER TYPE, APRIL 2019



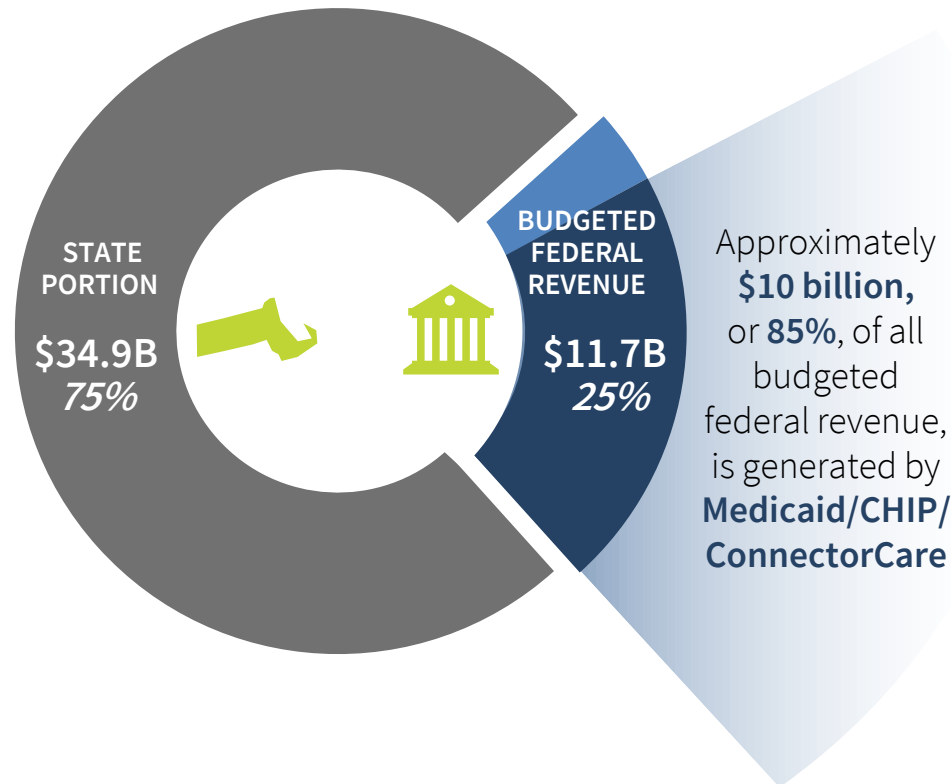
¹ Premium assistance recipients include members who receive premium subsidies from MassHealth for employer-sponsored health insurance. MassHealth Limited provides coverage for emergency medical services for 152,473 noncitizens.

² The MCO population includes members who are also enrolled in an MCO-administered ACO (Model C).

SOURCE: MassHealth (2019). April 2019 Snapshot Report.

THE MAIN SOURCE OF FEDERAL REVENUES TO MASSACHUSETTS IS MASSHEALTH

FY 2019 MASSACHUSETTS STATE BUDGET (\$46.6 BILLION)



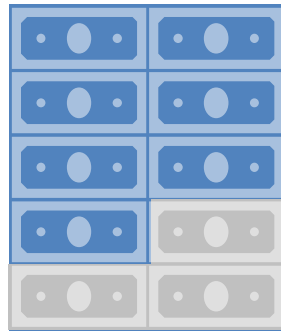
NOTE: Medicaid in this context includes MassHealth, Commonwealth Care (prior to 2014), and ConnectorCare premium and cost-sharing subsidies (post-2014); additional MassHealth 1115 waiver spending; and spending on some programs and facilities that serve people eligible for MassHealth and are administered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

SOURCE: Massachusetts Budget and Policy Center.

EVERY STATE DOLLAR IN MASSHEALTH SPENDING IS MATCHED BY AT LEAST A DOLLAR IN FEDERAL REVENUE TO THE STATE

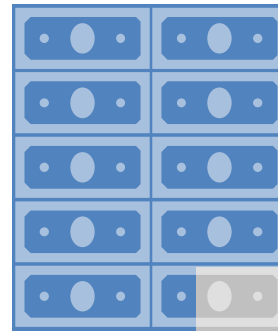
FEDERAL AND STATE SHARES OF MASSHEALTH EXPENDITURES, MARCH 2019

CHIP



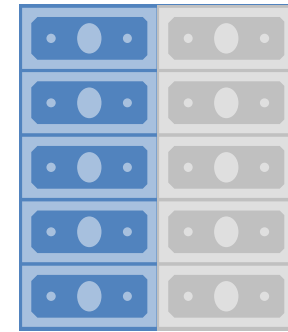
Federal funds pay
76.5%
of CHIP expenditures.

ACA EXPANSION POPULATION



Federal funds pay
93%
of Medicaid expansion
expenditures.

MOST OTHER MASSHEALTH EXPENDITURES



Federal funds pay
50%
of most other MassHealth
expenditures.



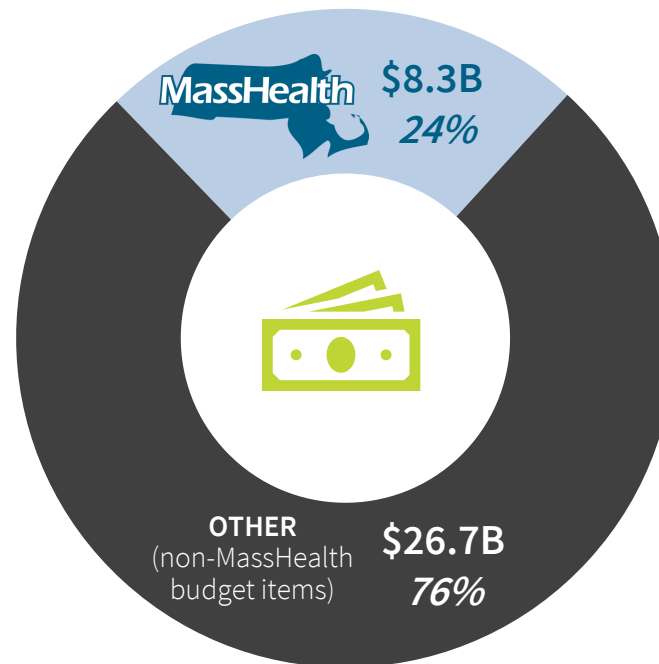
¹ Children's Health Insurance Program (CHIP) matching assistance decreased from 88% to 76.5% in October 2019 (FY 2020); it is set to decrease again in FY 2021.

² Federal Medical Assistance Percentages (FMAP) for the ACA expansion population will decrease from 93% to 90% in CY 2020.

SOURCES: 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).

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

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

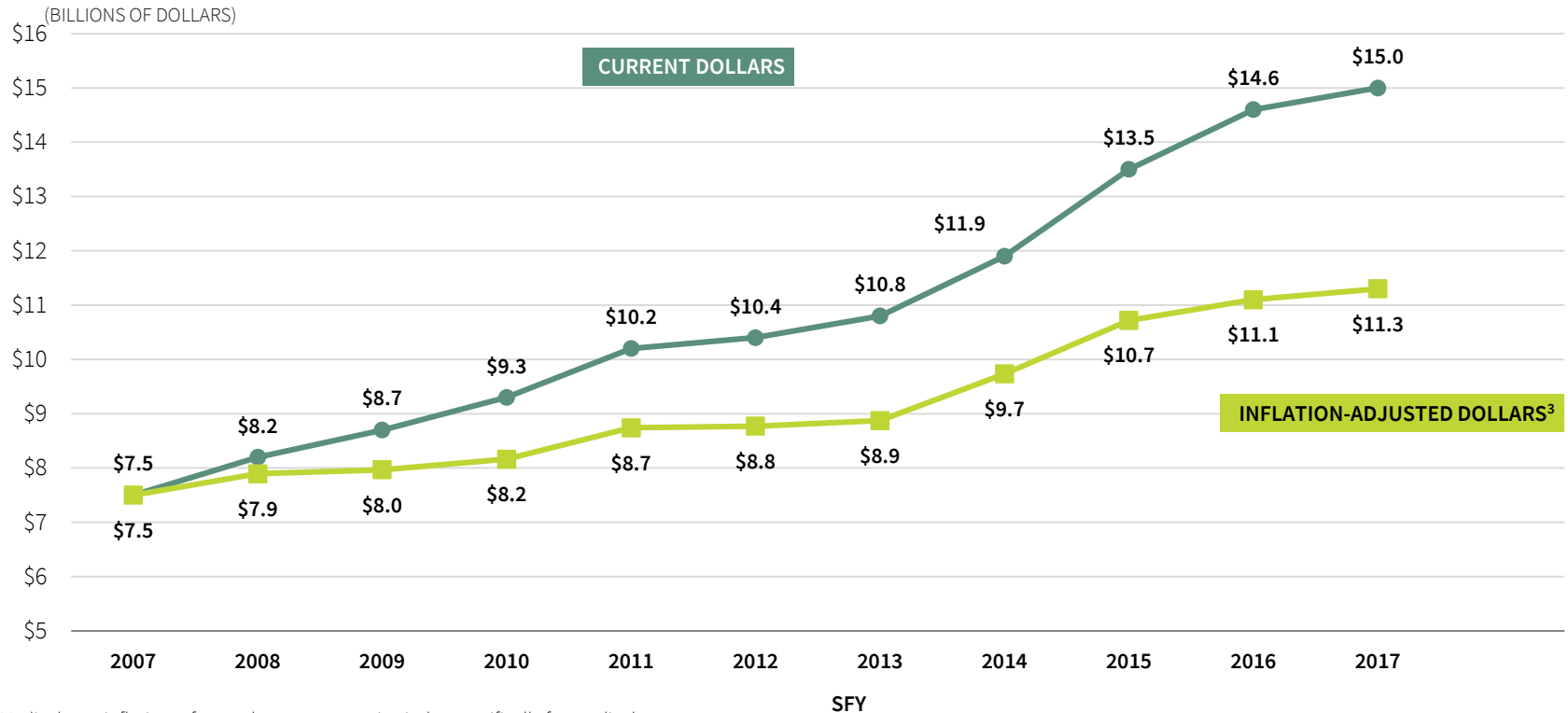


*Information based on data provided by Massachusetts Budget and Policy Center staff.

SOURCES: Massachusetts Budget and Policy Center (2019). What is the Actual State Cost of MassHealth in 2019? *Blue Cross Blue Shield of Massachusetts Foundation*. 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.

MASSHEALTH SPENDING HAS MODERATED IN RECENT YEARS

MASSHEALTH TOTAL PROGRAMMATIC SPENDING, SFY 2007–2017



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.

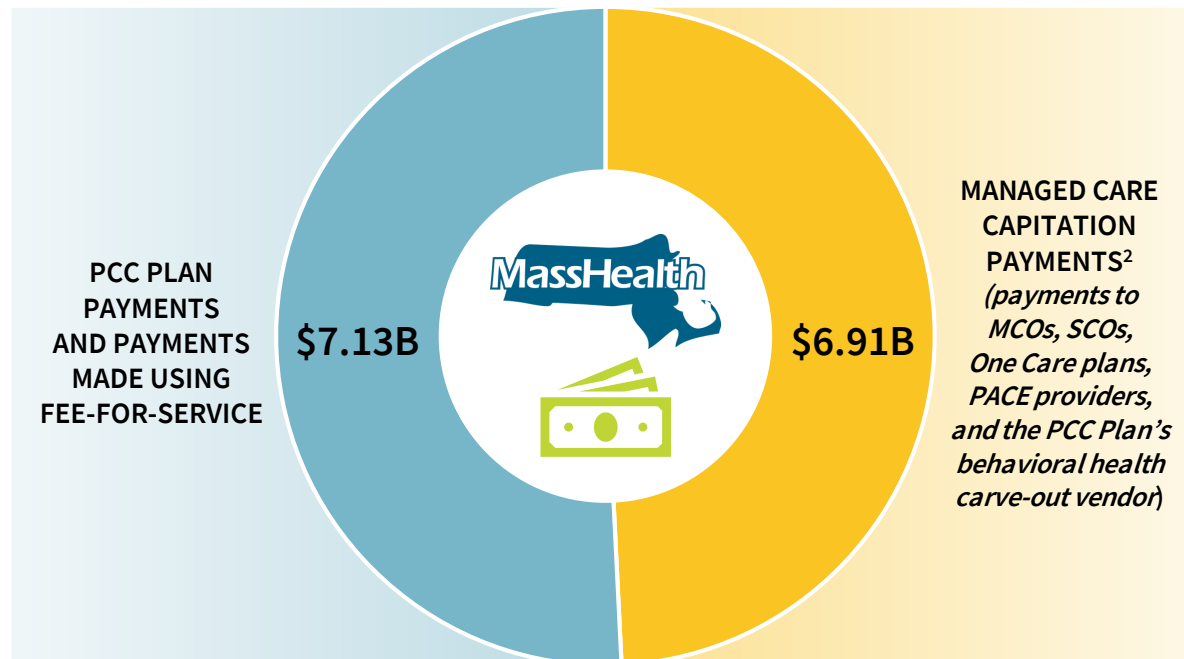
³ Inflation adjustment uses the Medical Consumer Price Index for the Boston area, from the U.S. Bureau of Labor Statistics. This analysis reflects gross spending amounts, including both state and federal revenues. The spending amounts include claim and capitation payments for medical benefits provided 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 (2019). 2018 Annual Health Care Cost Trends Report.

Available at www.mass.gov/files/documents/2019/02/20/2018_Cost_Trends_Report.pdf.

NEARLY HALF OF MASSHEALTH SPENDING IN FISCAL YEAR 2017 WAS ON CAPITATION PAYMENTS

TOTAL MASSHEALTH SPENDING = \$14.04 BILLION, SFY 2017



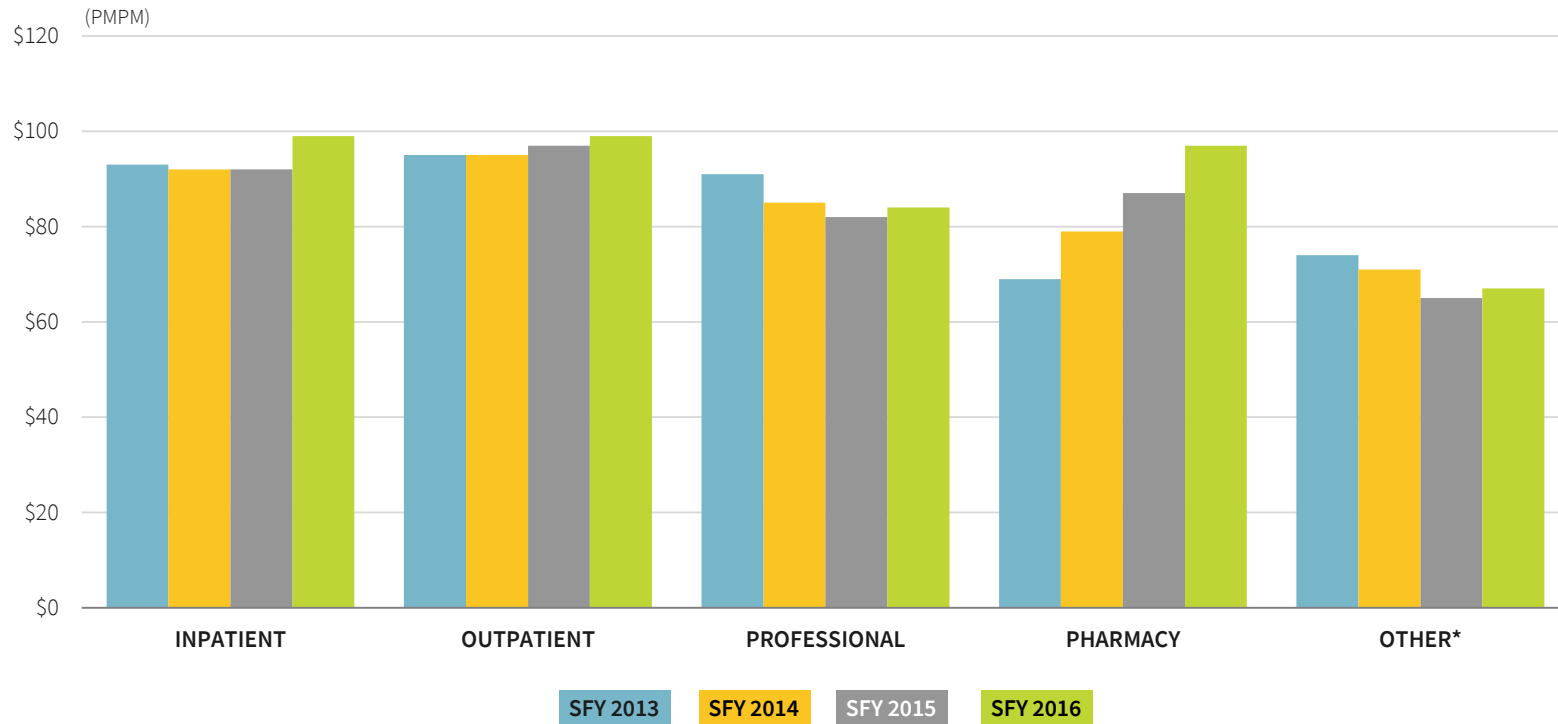
¹Unlike totals shown on earlier slides, this total does not include spending on Medicare premiums. The figures also do not include Medicaid-reimbursable services from other state agencies, administrative spending, or supplemental payments to hospitals.

²These financial data pre-date the implementation of ACOs so they are not included in these capitation payments.

SOURCE: MassHealth Budget Office SFY 2017.

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

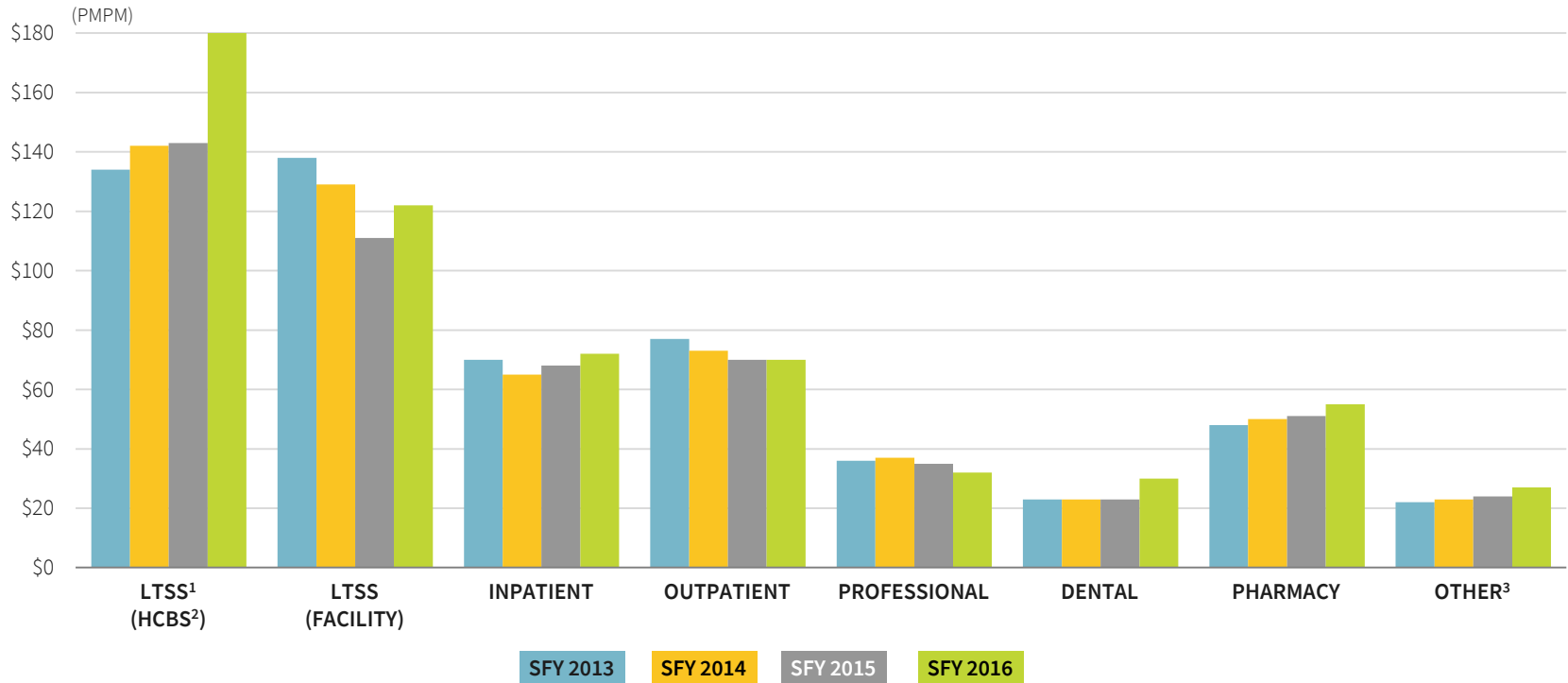


*Includes dental, home health, community health, long-term care, and “non-claim” costs.

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.

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

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



¹ Much of the increase in LTSS spend 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.

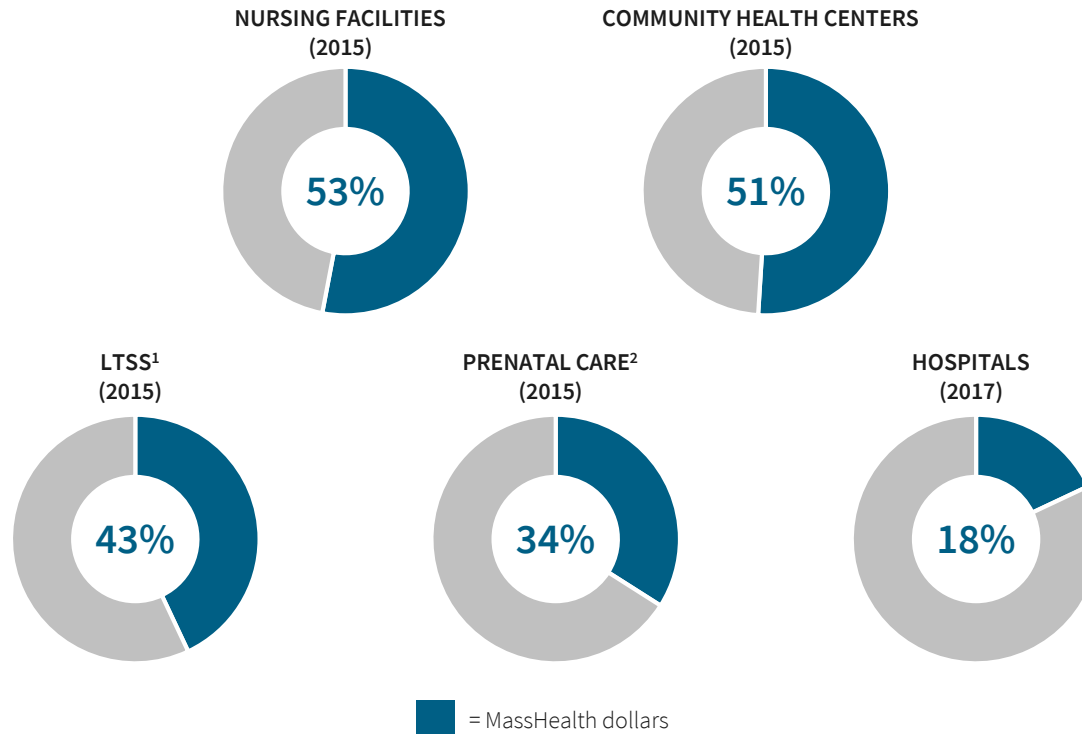
³ Includes transportation and durable medical equipment.

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.

MASSHEALTH SPENDING IS IMPORTANT TO MANY TYPES OF PROVIDERS

MASSHEALTH REVENUE AS A PERCENTAGE OF PROVIDERS' TOTAL PATIENT REVENUES



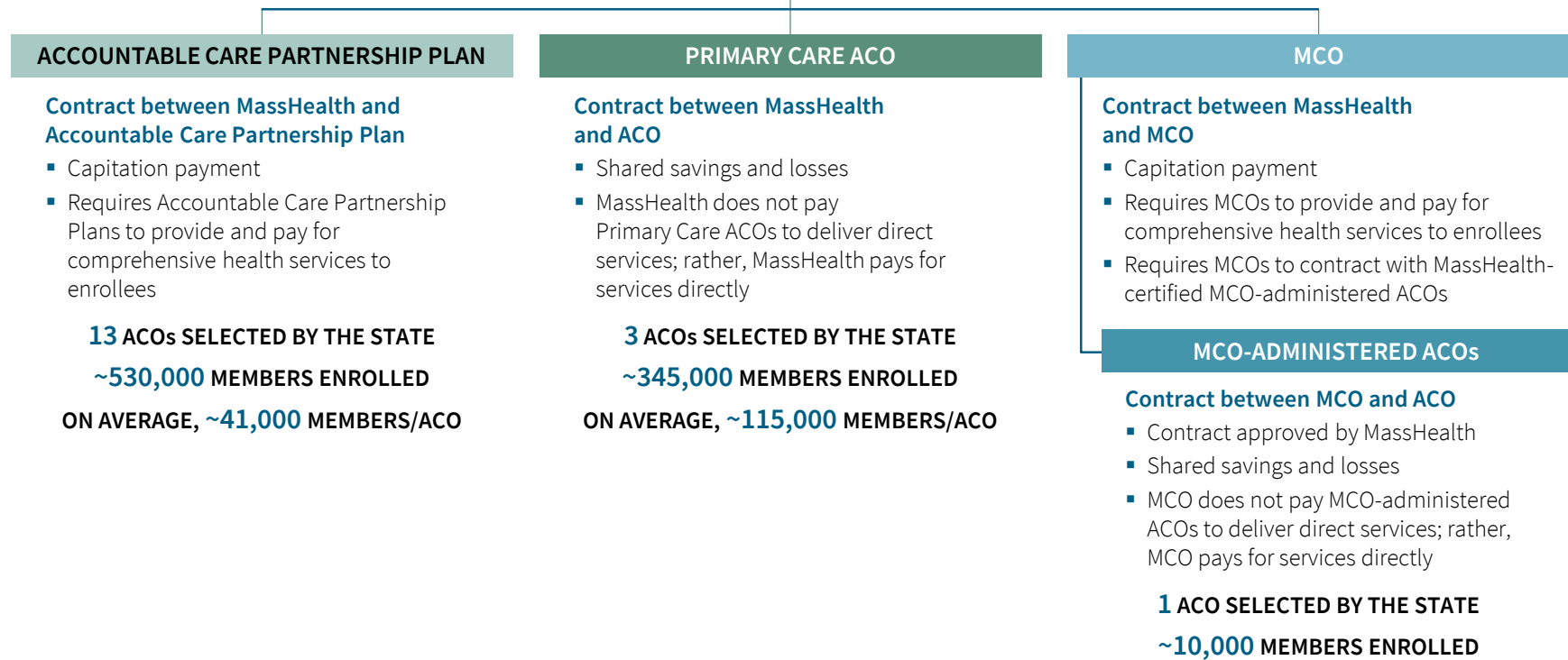
¹ Includes spending for home health care, durable medical supplies, Medicaid HCBS waivers, and care provided in residential care facilities. The source data also bundles in ambulance services, school health, and worksite health care, which make up a very small piece of these services.

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

SOURCES: Center for Health Information and Analysis (CHIA) (2018), Massachusetts Hospital Profiles (SFY 2017 data); CHIA HCF-1 Cost Reports (Nursing Facilities — CY 2015); Health Resources and Services Administration, Bureau of Primary Health Care, Uniform Data System Report (CHCs — federal FY 2015 data); CMS National and State Health Expenditure Accounts (estimate using MA total and Medicaid spending 2009 and MA total spending 2014); MA DPH; Massachusetts Births 2015 (percentage of births).

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

THREE VARIETIES OF MASSHEALTH ACOs



SOURCES: Gershon, et al. (2017). [The MassHealth Waiver 2016–2022: Delivering Reform](#). *Blue Cross Blue Shield Foundation*; ACO enrollment data from MassHealth (March 2019), referencing data from 3/1/2019.

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.
- CPs 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.

SOURCE: 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.

NEW FLEXIBLE SERVICES PROGRAM TO ADDRESS HOUSING AND NUTRITION NEEDS

GENERAL ELIGIBILITY CRITERIA

- Enrolled in one of MassHealth's ACOs
- Meet at least one health-needs-based criterion (e.g., have a behavioral health need or a complex physical health need)
- Have at least one risk factor (e.g., homeless, at risk of being homeless, or at risk for a nutritional deficiency).

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

SOURCE: MassHealth. MassHealth Flexible Services Program (November 2018). Accessed at www.mass.gov/files/documents/2018/11/14/MassHealth_Flexible_Services_One_Pager.pdf.

MASSHEALTH'S SUBSTANCE USE DISORDER TREATMENT OPTIONS

SUD SERVICE / SUPPORT	DESCRIPTION
Residential Rehabilitation	MassHealth received approval to expand the 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	<p>Recovery support navigators develop recovery plans with members, coordinate services, participate in discharge planning and adherence, and help members pursue their health management goals.</p> <p>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.</p>
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 (2018). MassHealth Medicaid Section 1115 Demonstration Special Terms and Conditions (October 2018). Available at <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ma/ma-masshealth-ca.pdf>.

MassHealth: The Basics

KEY FINDINGS

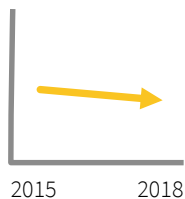
ENROLLMENT



More than **1.8 million** members



42% of Massachusetts children are MassHealth members



Relatively stable enrollment for past 4 years (SFY 2015–2018)

SPENDING



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



Spending growth moderated from 2016 to 2017



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

INNOVATIONS



Half of members 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.

CONTACT INFORMATION

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Download the complete *MassHealth: The Basics* chart pack at
<https://bluecrossmafoundation.org/publication/masshealth-basics-%E2%80%93-facts-and-trends-july-2019>



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MASSACHUSETTS