MassHealth: The Basics
FACTS AND TRENDS

PREPARED BY
COMMONWEALTH MEDICINE
UNIVERSITY OF MASSACHUSETTS MEDICAL SCHOOL

WEBINAR — OCTOBER 28, 2020
WEBINAR OVERVIEW

- Introduction
- Eligibility and Enrollment
- Spending and Cost Drivers
- MassHealth Reforms

PRESENTERS

- Massachusetts Medicaid Policy Institute,
  Blue Cross Blue Shield of Massachusetts Foundation
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- Commonwealth Medicine,
  University of Massachusetts Medical School
  - Rachel Gershon
  - Lissette Victoriano

Additional content available at:
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\(^1\)

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

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 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.⁴
• 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
IMPACTS OF MASSHEALTH EXPANSION, IN COMBINATION WITH OTHER 2006 REFORMS, ASSOCIATED WITH:
• Financial protection and increased affordability for health insurance and care.⁵

LOOKING AT THE MASSACHUSETTS POPULATION IN RECENT YEARS, MASSHEALTH COVERAGE IS ASSOCIATED WITH:
• A more than 5% drop in the uninsured rate among children eligible for MassHealth.³

## MASSHEALTH ELIGIBILITY (ROUGH GUIDE)

<table>
<thead>
<tr>
<th>POPULATION</th>
<th>% FPL&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Single</th>
<th>Two-person</th>
<th>Family of three</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children through age 18</td>
<td>300%</td>
<td>N/A</td>
<td>$51,720</td>
<td>$65,160</td>
</tr>
<tr>
<td>People with disabilities (age 0–64)</td>
<td>No income limit; those with higher incomes pay sliding-scale premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former foster care children up to age 26</td>
<td>No income limit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individuals with breast or cervical cancer</td>
<td>250%</td>
<td>$31,900</td>
<td>$43,100</td>
<td>$54,300</td>
</tr>
<tr>
<td>HCBS waiver group (includes elders)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>~229%</td>
<td>$27,756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pregnant persons and persons with HIV</td>
<td>200%</td>
<td>$25,520</td>
<td>$34,480</td>
<td>$43,440</td>
</tr>
<tr>
<td>Adults ages 19–20 without one of the above conditions</td>
<td>150%</td>
<td>$19,140</td>
<td>$25,860</td>
<td>$32,580</td>
</tr>
<tr>
<td>Adults ages 21–64 who do not fit into one of the categories above</td>
<td>133%</td>
<td>$16,971</td>
<td>$22,929</td>
<td>$28,888</td>
</tr>
<tr>
<td>Elders 65+ residing in the community</td>
<td>100%</td>
<td>$12,760 (individual); Plus asset test ≤ $2,000 (individual)&lt;sup&gt;2&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elders 65+ residing in nursing facilities</td>
<td></td>
<td>Incomes can be higher, but must pay most income towards nursing facility cost; community spouse can keep some assets&lt;sup&gt;3&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<sup>1</sup> FPL = Federal Poverty Level.

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

<sup>3</sup> 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 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.
MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH

- **ALL CHILDREN (AGES 0–20)**: 41%
- **ALL NON-ELDERLY ADULTS (AGES 21–64)**: 23%
- **ALL SENIORS (AGES 65+)**: 17%
- **BIRTHS (CHILD BORN IN LAST 12 MONTHS)**: 38%
- **NURSING FACILITY RESIDENTS**: 69%
- **PEOPLE IN FAMILIES EARNING <133% FPL**: 60%
- **PEOPLE WITH DISABILITIES (BROAD DEFINITION*)**: 46%
- **PEOPLE WITH DISABILITIES (REQUIRE ASSISTANCE WITH SELF-CARE)**: 57%
- **MEDICARE BENEFICIARIES**: 25%

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


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 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.


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:

- **FOOD SERVICE**
  (cooks, waitstaff, food preparation, fast food workers)

- **SALES**
  (cashiers, retail salespeople, retail supervisors)

- **TRANSPORTATION**
  (movers, drivers, stockers)

- **OFFICE AND ADMINISTRATIVE SUPPORT**
  (customer service representatives, secretaries, receptionists)

- **HEALTH CARE SUPPORT**
  (nursing assistants, personal care aides, home health aides)

- **CLEANING AND MAINTENANCE**
  (janitors, maids, landscapers)

- **CONSTRUCTION**
  (laborers, carpenters, painters)

- **PRODUCTION**
  (equipment operators, inspectors, fabricators)

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

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).

Note: A more detailed version of this slide is available at: https://bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2020.

Source: MassHealth Budget Office.
THE MAIN SOURCE OF FEDERAL REVENUES TO MASSACHUSETTS IS MASSHEALTH

SFY 2019 MASSACHUSETTS STATE BUDGET ($46.6 BILLION)

Approximately $10 billion, or 85%, of all budgeted federal revenue, is generated by Medicaid/CHIP/ConnectorCare.

NOTES: 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.

A more detailed version of this slide is available at: https://bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2020.

SOURCE: Massachusetts Budget and Policy Center.
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

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.


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)

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


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

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

2 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.
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.
Note: A more detailed version of this slide is available at: https://bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2020.
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.
## ACCOUNTABLE CARE ORGANIZATIONS:
PROVIDER ENTITIES HELD FINANCIALLY ACCOUNTABLE FOR THE COST AND QUALITY OF CARE FOR THEIR MEMBER POPULATIONS

### THREE VARIETIES OF MASSHEALTH ACOs

<table>
<thead>
<tr>
<th>ACO Type</th>
<th>Contract Details</th>
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<tbody>
<tr>
<td><strong>ACCOUNTABLE CARE PARTNERSHIP PLAN</strong></td>
<td>Capitation payment, Requires Accountable Care Partnership Plans to provide and pay for comprehensive health services to enrollees</td>
</tr>
<tr>
<td><strong>PRIMARY CARE ACO</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>MCO</strong></td>
<td>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</td>
</tr>
</tbody>
</table>

### 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

### Sources


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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.

NEW FLEXIBLE SERVICES PROGRAM TO ADDRESS TENANCY AND NUTRITION NEEDS

AS OF JULY 2020:

45 Flexible Services Programs approved, involving
30 community service agencies and
14 of 17 ACOs

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

MASSHEALTH EMERGENCY RESPONSE TO COVID-19

Coverage and Eligibility

Telehealth Services

Home Health Aide Services

Pharmacy

MassHealth: The Basics

KEY FINDINGS

**ENROLLMENT**

More than **1.8 million** members

41% of **Massachusetts children** are MassHealth members

**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)

**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.
## CONTACT INFORMATION

<table>
<thead>
<tr>
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Download the complete *MassHealth: The Basics* chart pack at:  