

MassHealth: The Basics

FACTS AND TRENDS

PREPARED BY
COMMONWEALTH MEDICINE
UNIVERSITY OF MASSACHUSETTS CHAN MEDICAL SCHOOL

WEBINAR – NOVEMBER 2022






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Q&A Chat Raise Hand Settings

WEBINAR OVERVIEW

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

PRESENTERS

- Massachusetts Medicaid Policy Institute,
Blue Cross Blue Shield of Massachusetts Foundation
 - Katherine Howitt
 - Jessie Gottsegen
- Commonwealth Medicine,
University of Massachusetts Chan Medical School
 - Carol Gyurina
 - Lissette Victoriano

INTRODUCTION: THE IMPORTANCE OF MASSHEALTH

MassHealth is Massachusetts' name for its Medicaid program and Children's Health Insurance Program (CHIP). MassHealth is a cornerstone of the health insurance landscape in Massachusetts and critical to our high rates of coverage and ongoing efforts to improve equity. The program is jointly funded and administered by state and federal governments.

COVERAGE

SAFETY NET

MassHealth



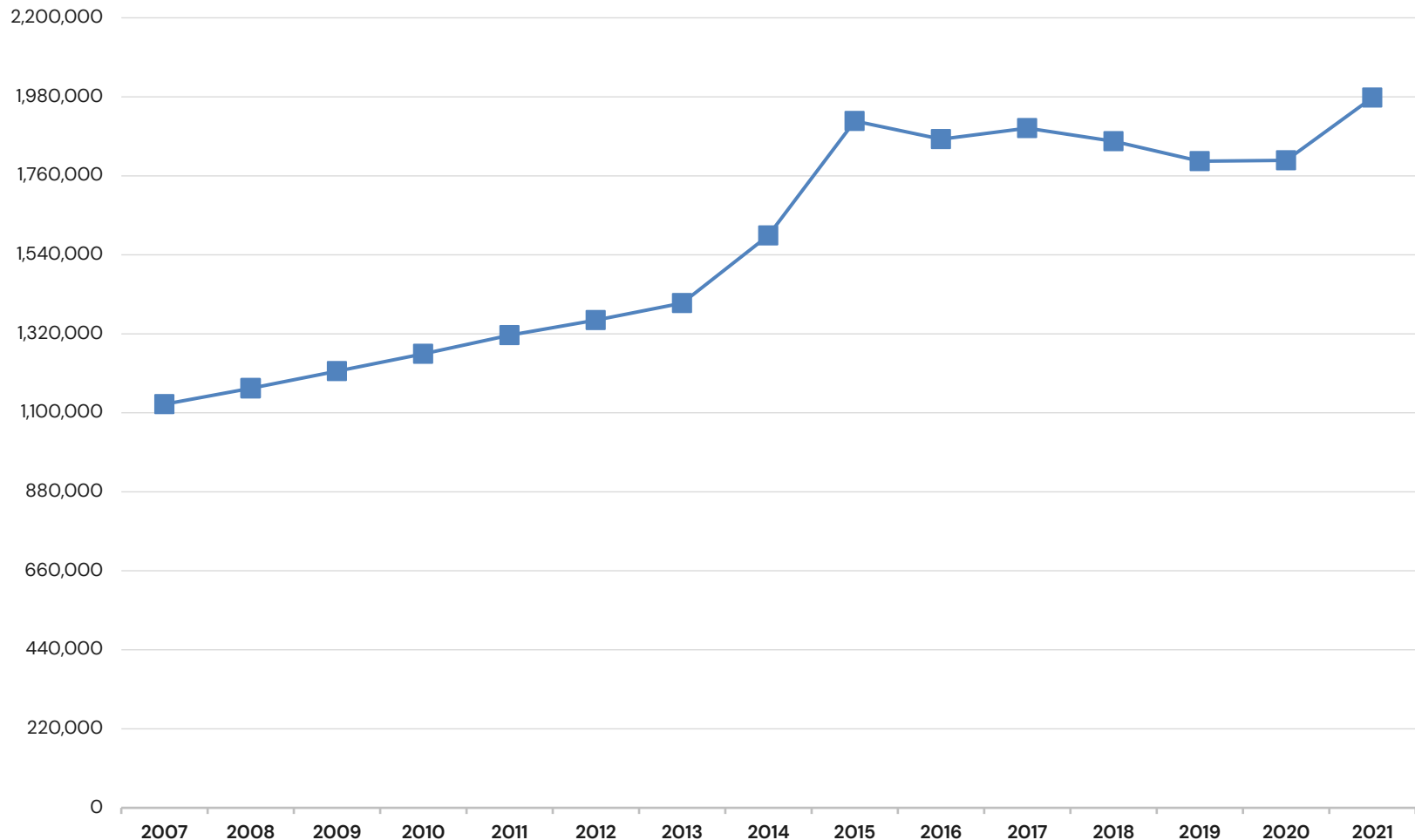
EQUITY

EVOLVING

*The analysis throughout this report uses enrollment by State Fiscal Year (SFY). Enrollment in SFY 2021 was just below 2 million people. Monthly caseload data suggest enrollment has continued to grow since then; MassHealth had over 2.2 million members as of April 2022.

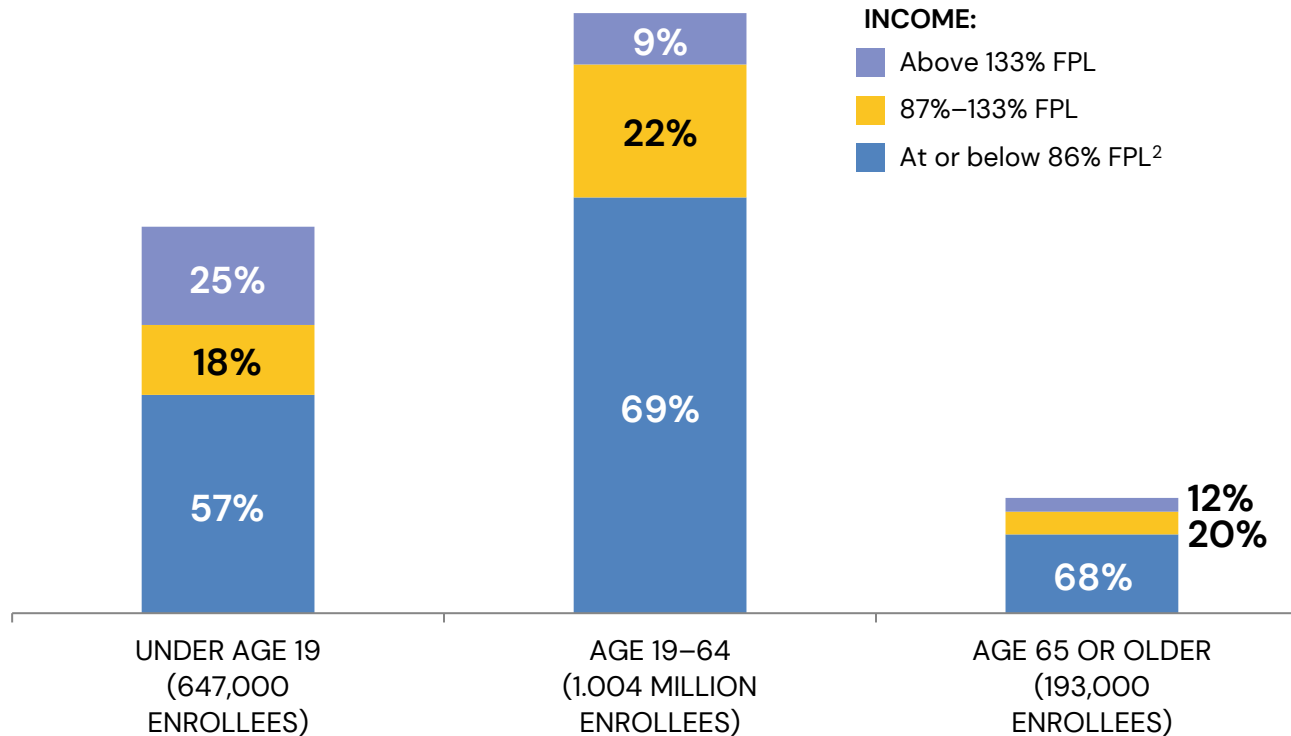
MASSHEALTH ENROLLMENT SHARPLY INCREASED FROM SFY 2020 TO 2021

TRENDS IN MASSHEALTH ENROLLMENT, STATE FISCAL YEARS (SFY) 2007–2021



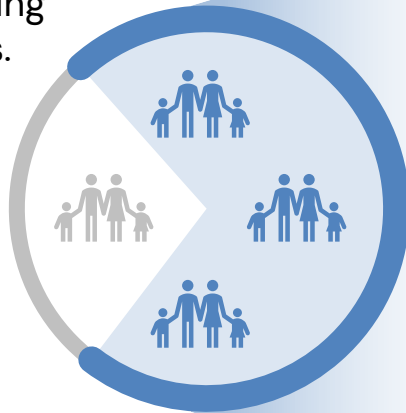
ADULTS ENROLLED IN MASSHEALTH HAVE PARTICULARLY LOW INCOMES — MOST BELOW 86% FPL

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

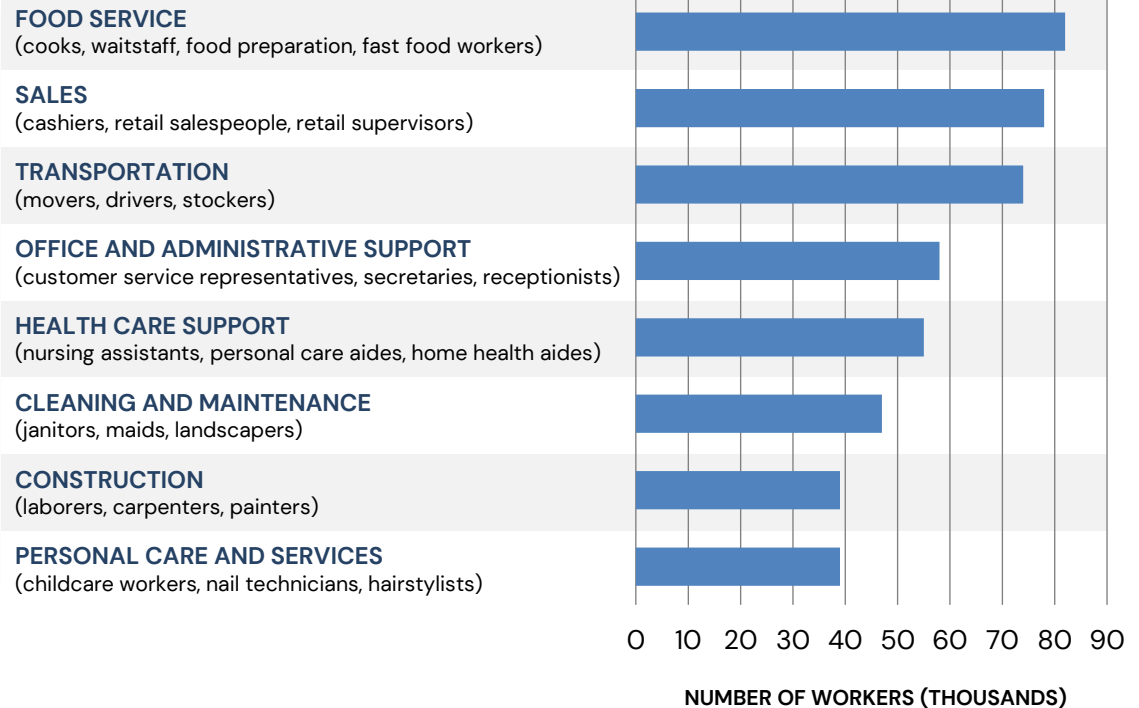


MASSHEALTH PLAYS A KEY ROLE IN SUPPORTING THE LOW-INCOME WORKFORCE

Three quarters of non-elderly MassHealth members live in working families.

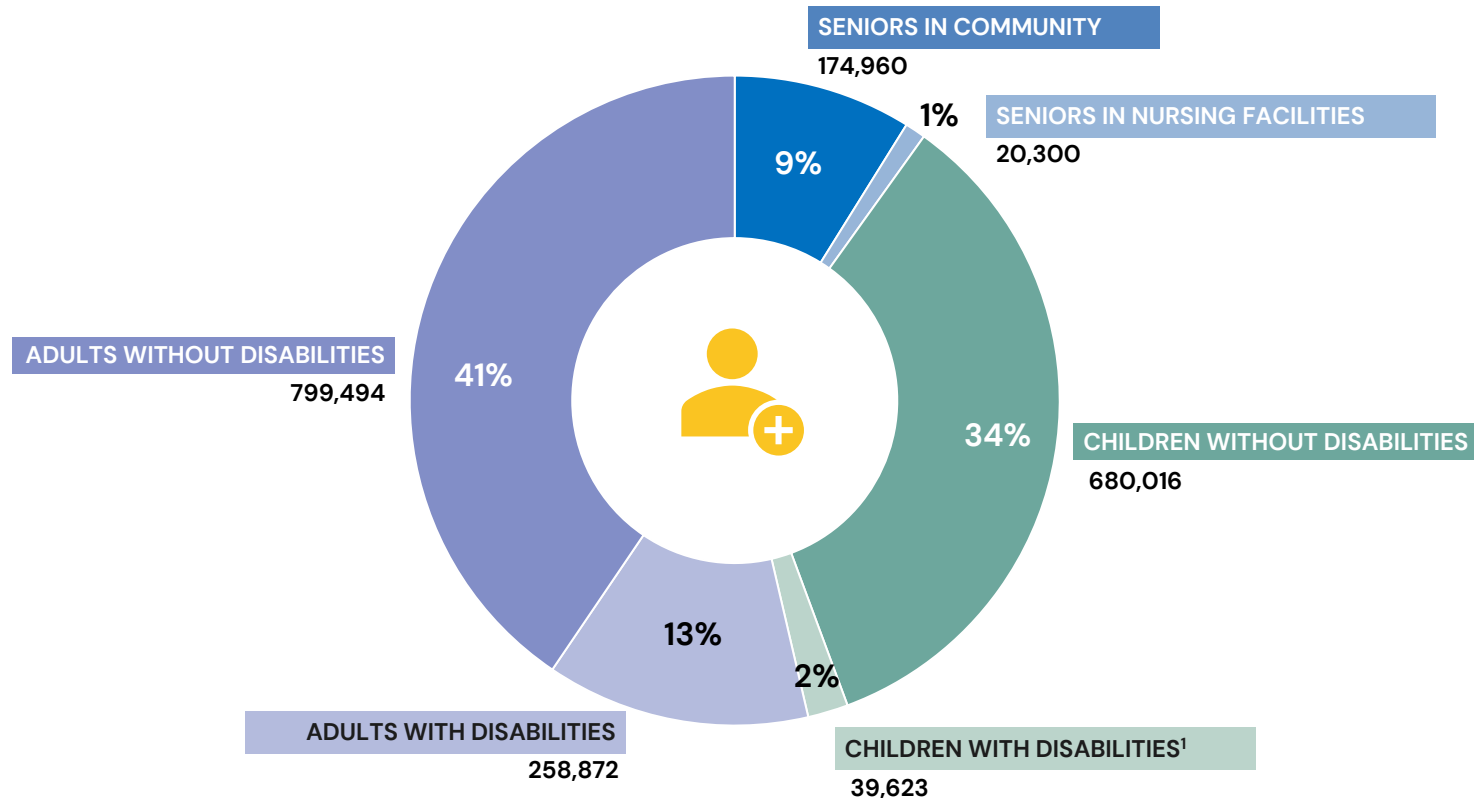


MassHealth provides health insurance coverage to low-income workers across a **wide range of industries**:



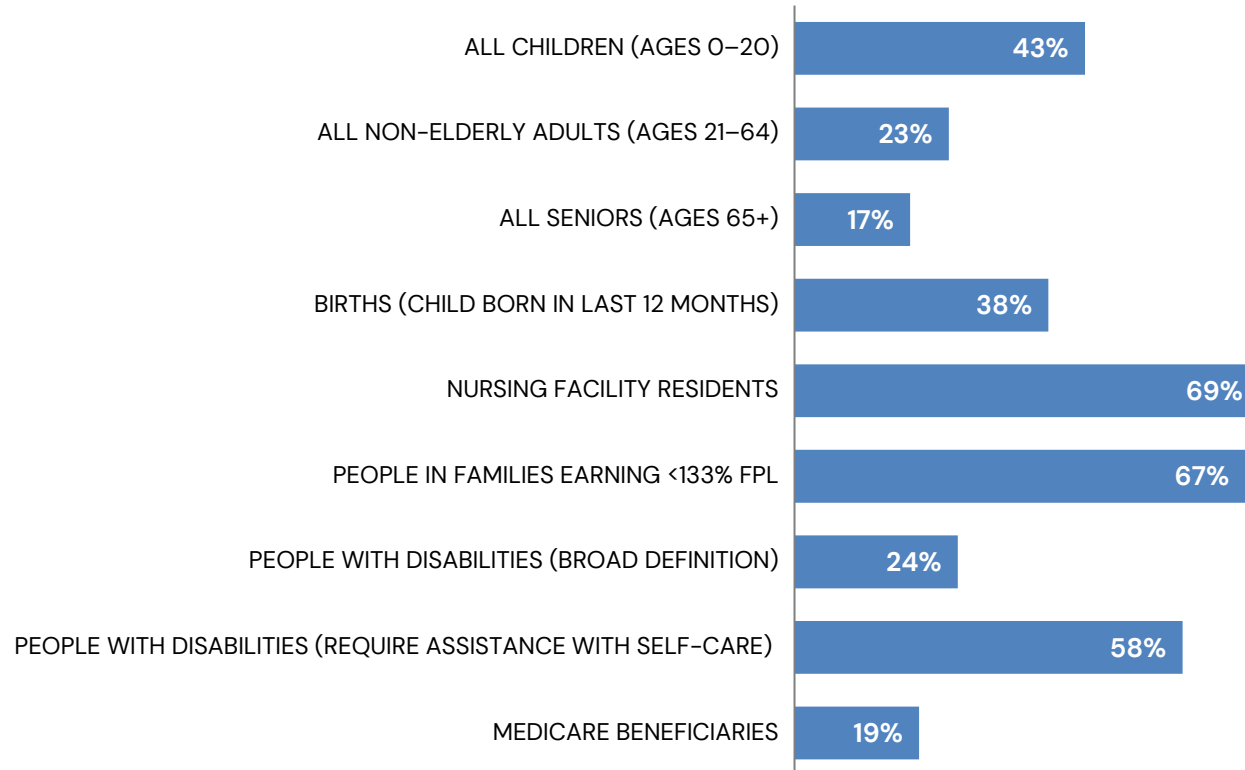
CHILDREN, SENIORS, AND PEOPLE WITH DISABILITIES MAKE UP OVER 59% OF MASSHEALTH MEMBERS

PERCENT OF TOTAL MASSHEALTH ENROLLMENT (1.98 MILLION), SFY 2021



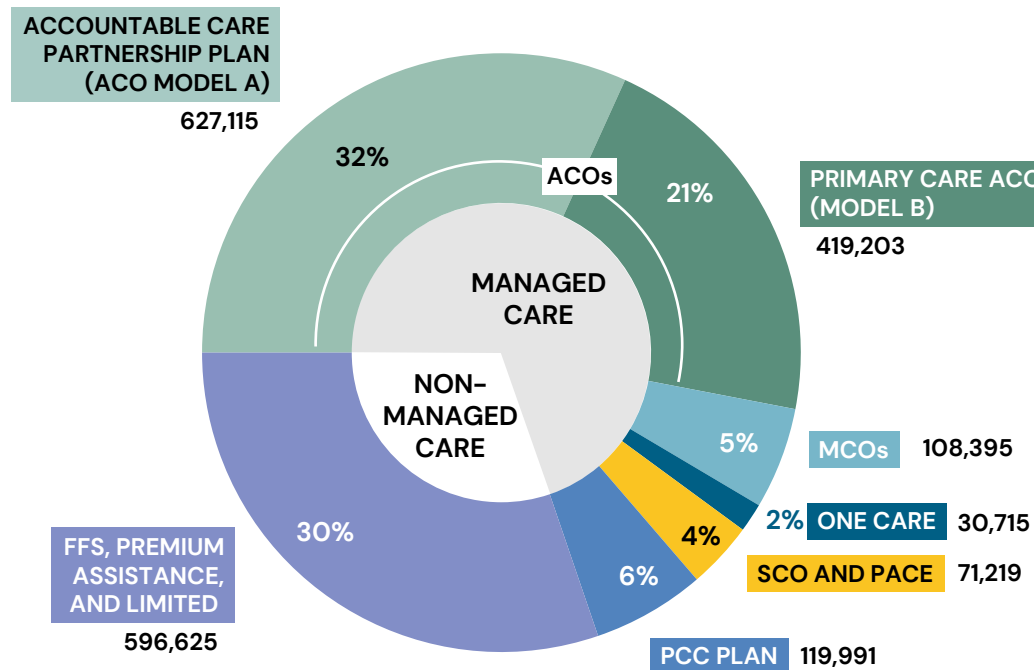
MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH



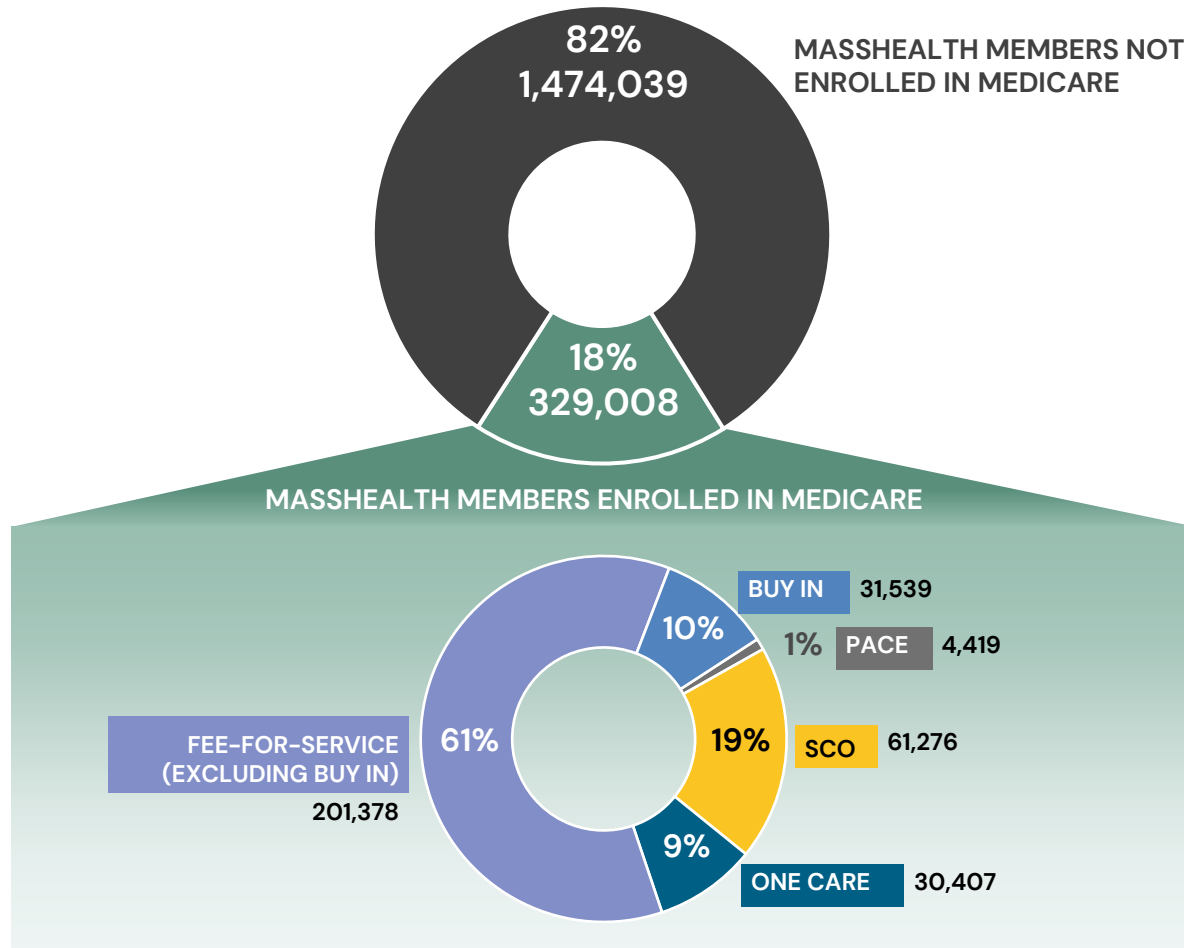
AMONG MASSHEALTH MEMBERS, 70% ARE ENROLLED IN MANAGED CARE, WITH OVER HALF OF MEMBERS IN ACOs

MASSHEALTH ENROLLMENT BY PAYER TYPE, SFY 2021



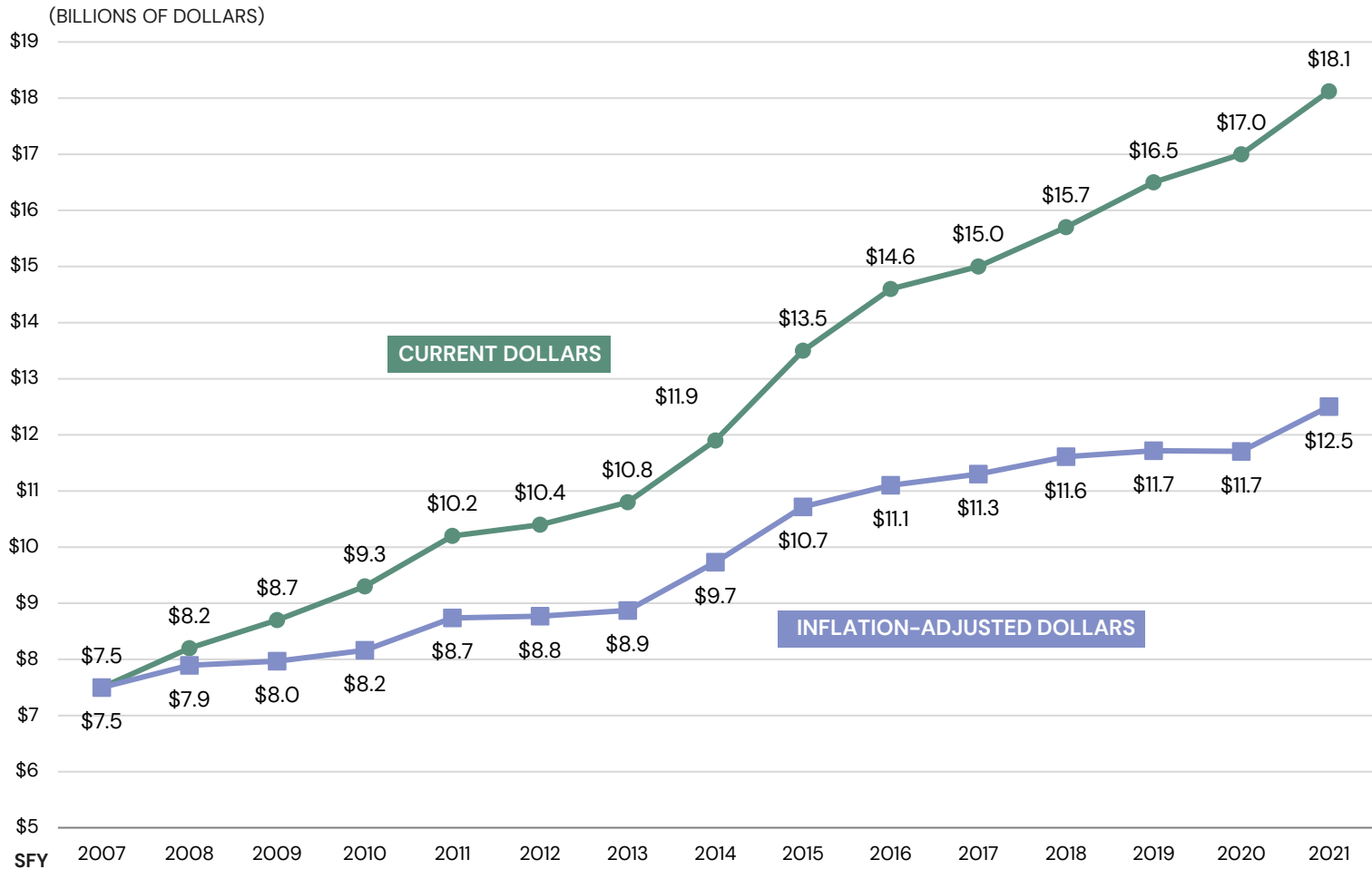
NEARLY ONE IN FIVE MASSHEALTH MEMBERS ARE ALSO ENROLLED IN MEDICARE

SFY 2021



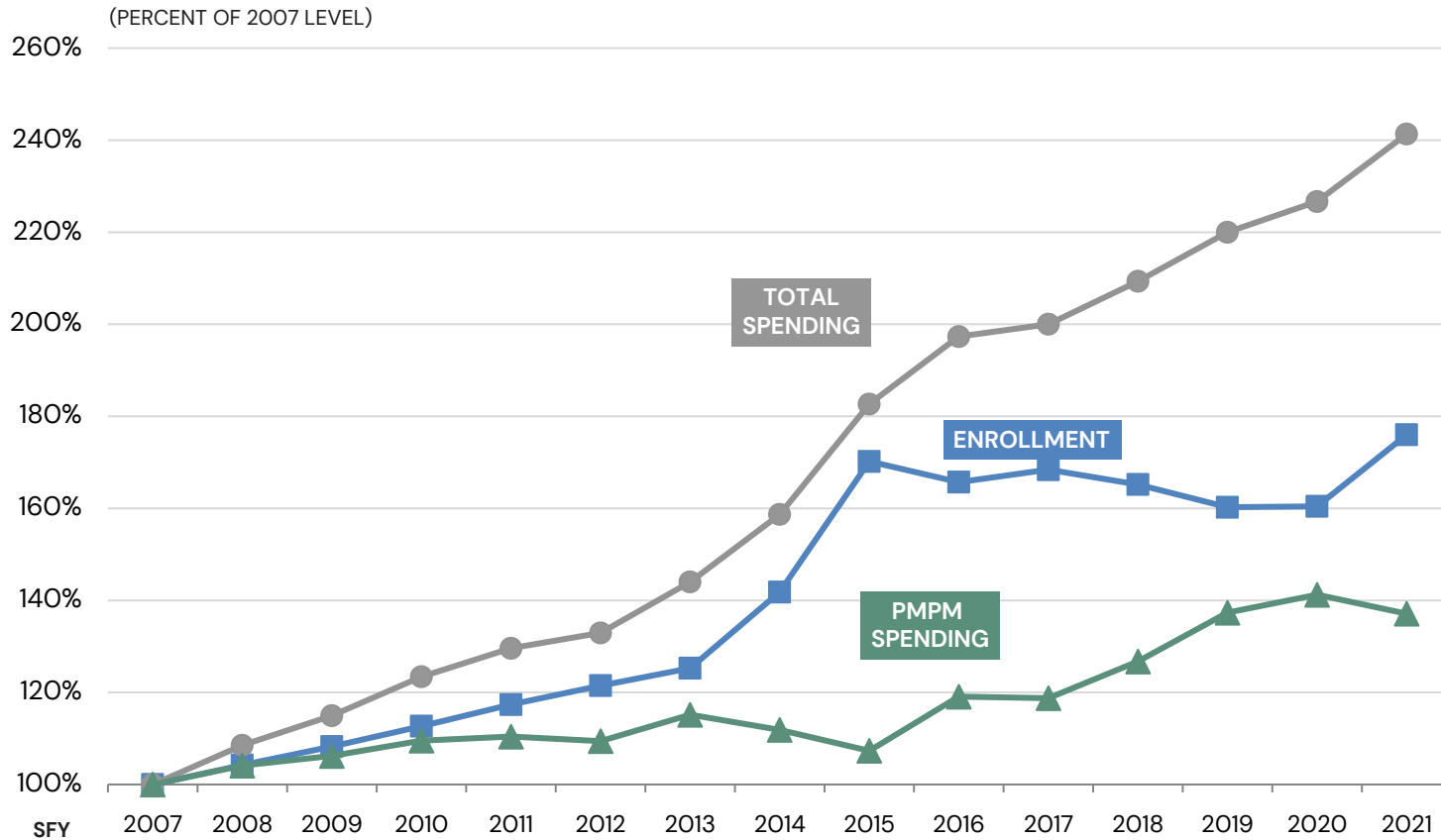
TOTAL MASSHEALTH SPENDING HAS RISEN SINCE THE BEGINNING OF THE PANDEMIC, DRIVEN LARGELY BY ENROLLMENT

MASHEALTH TOTAL PROGRAMMATIC SPENDING, SFY 2007–2021



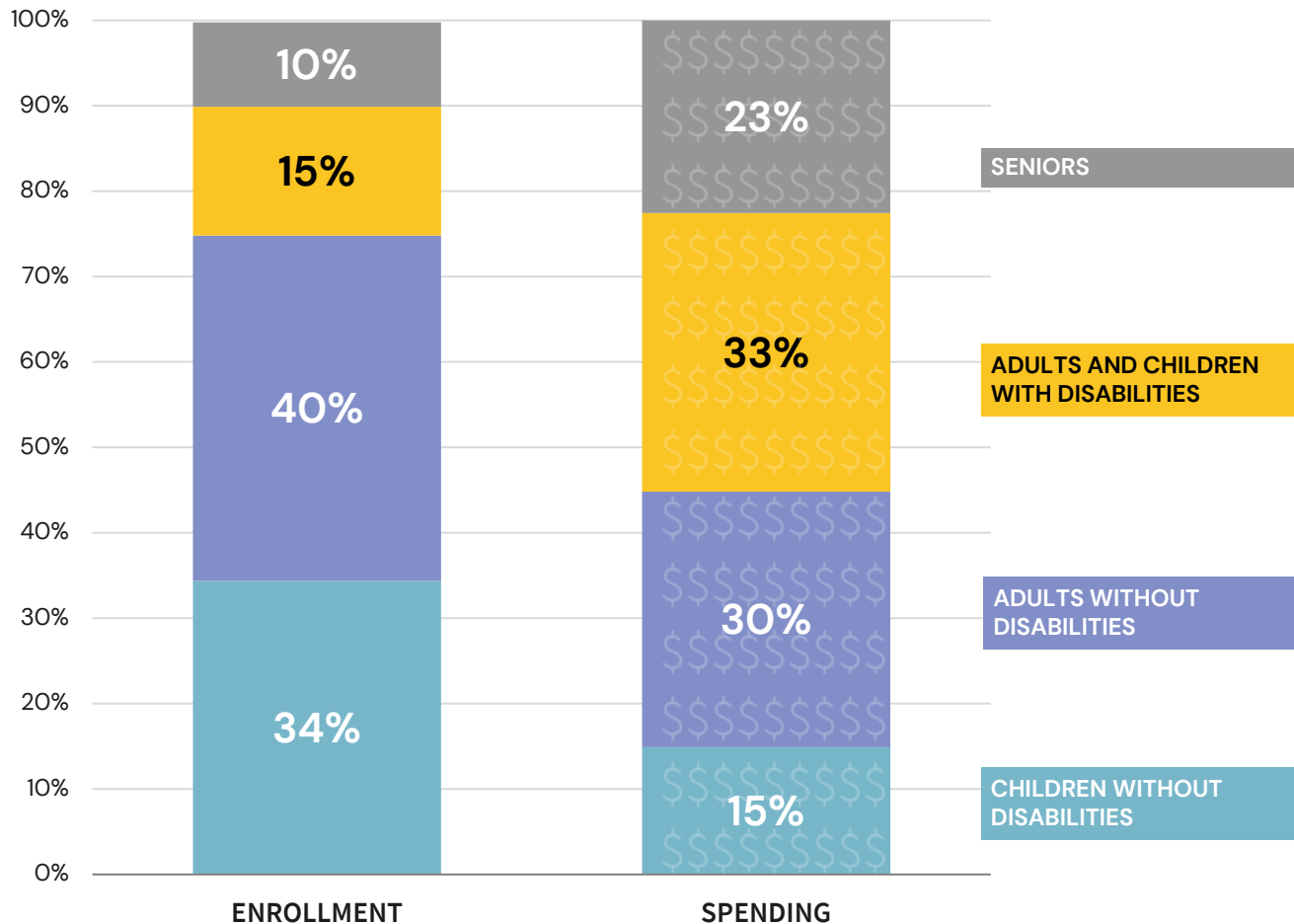
WHILE ENROLLMENT AND OVERALL PROGRAM SPENDING INCREASED DURING SFY 2020-2021, AVERAGE SPENDING PER MEMBER DECREASED

GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT, AND PER MEMBER PER MONTH (PMPM) COSTS¹ AS COMPARED TO 2007 (SFY 2007 = 100%)



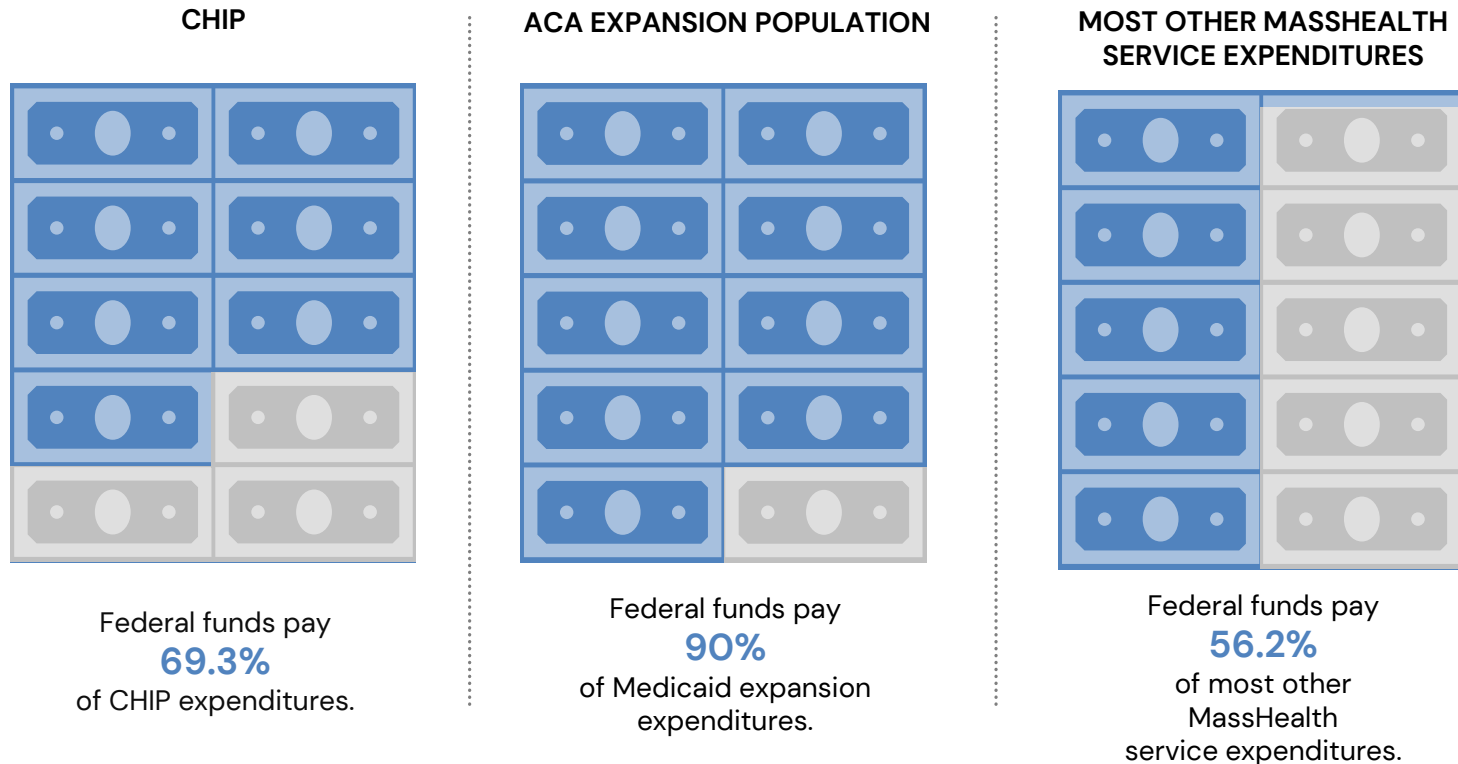
MOST MASSHEALTH DOLLARS ARE SPENT ON SERVICES FOR A MINORITY OF MEMBERS

DISTRIBUTION OF MASSHEALTH ENROLLMENT AND SPENDING BY VARIOUS POPULATIONS, SFY 2021



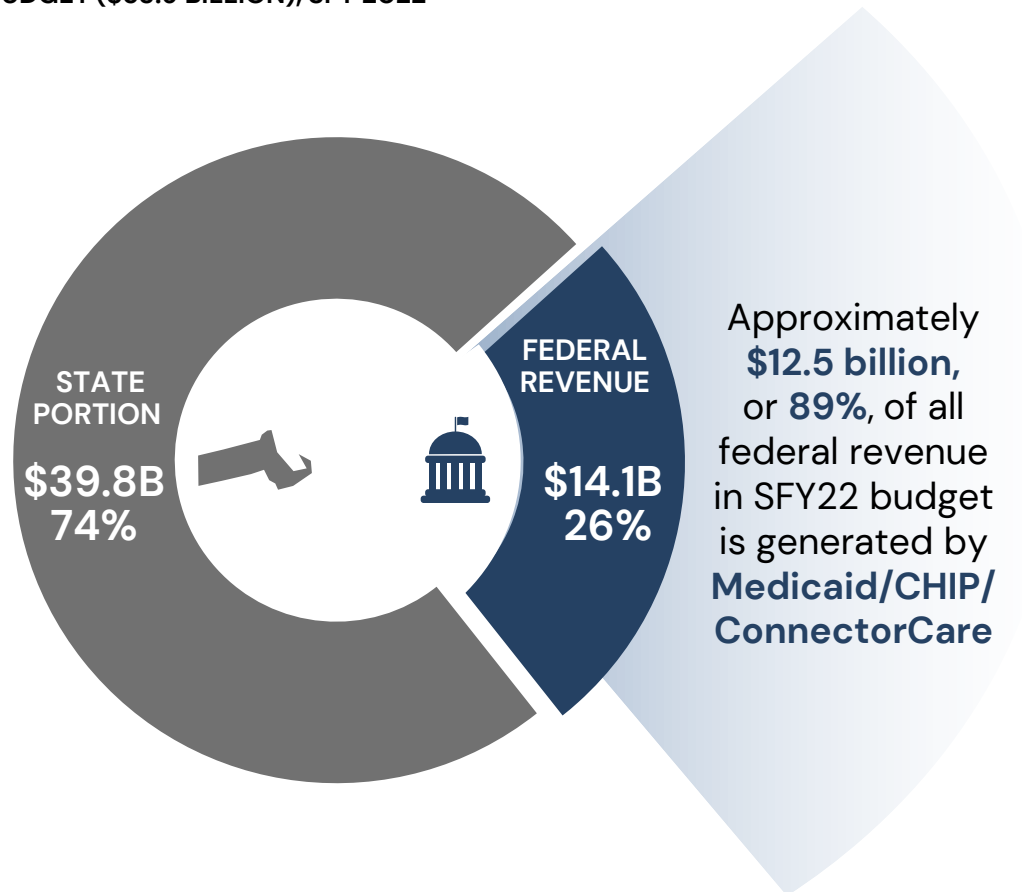
EVERY DOLLAR IN MASSHEALTH SPENDING IS REIMBURSED BY AT LEAST 50 CENTS IN FEDERAL REVENUE TO THE STATE

FEDERAL AND STATE SHARES OF MASSHEALTH EXPENDITURES, APRIL 2022



THE MAIN SOURCE OF FEDERAL REVENUES TO MASSACHUSETTS IS MASSHEALTH

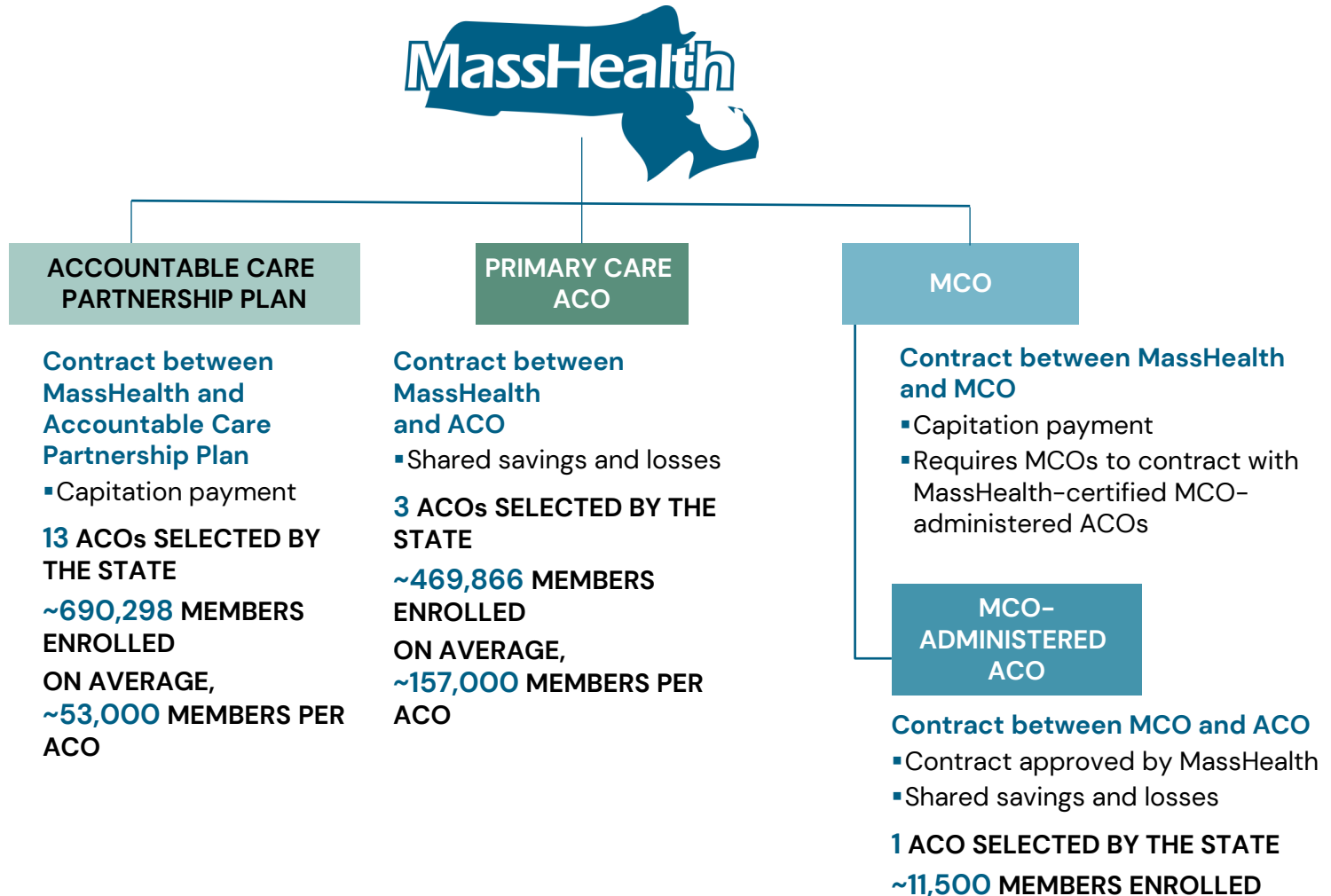
MASSACHUSETTS STATE BUDGET (\$53.9 BILLION), SFY 2022



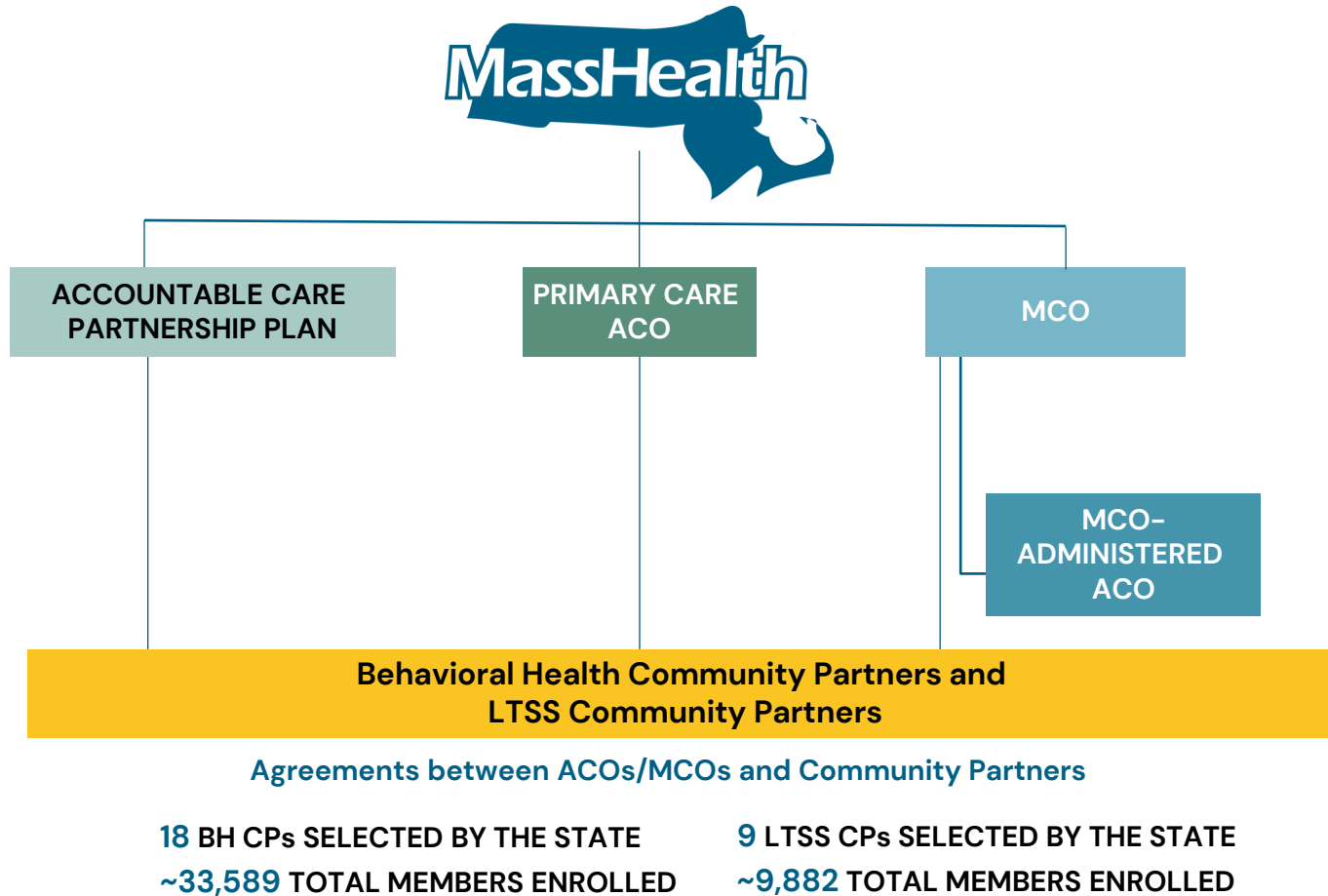
MASSACHUSETTS ADMINISTERS MOST OF MASSHEALTH THROUGH WAIVERS

WHAT IS A STATE PLAN?	The agreement between state and federal government that describes how the state Medicaid program will operate within the parameters of federal Medicaid law.
WHAT IS A WAIVER?	Waives certain parts of federal Medicaid law to allow for innovations and flexibility in how states deliver and pay for Medicaid services. MassHealth uses 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.
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. MassHealth obtains federal matching funds on expenditures made by the state agencies that authorize and oversee these services, such as the Executive Office of Elder Affairs, the Department of Mental Health, and the Massachusetts Rehabilitation Commission.

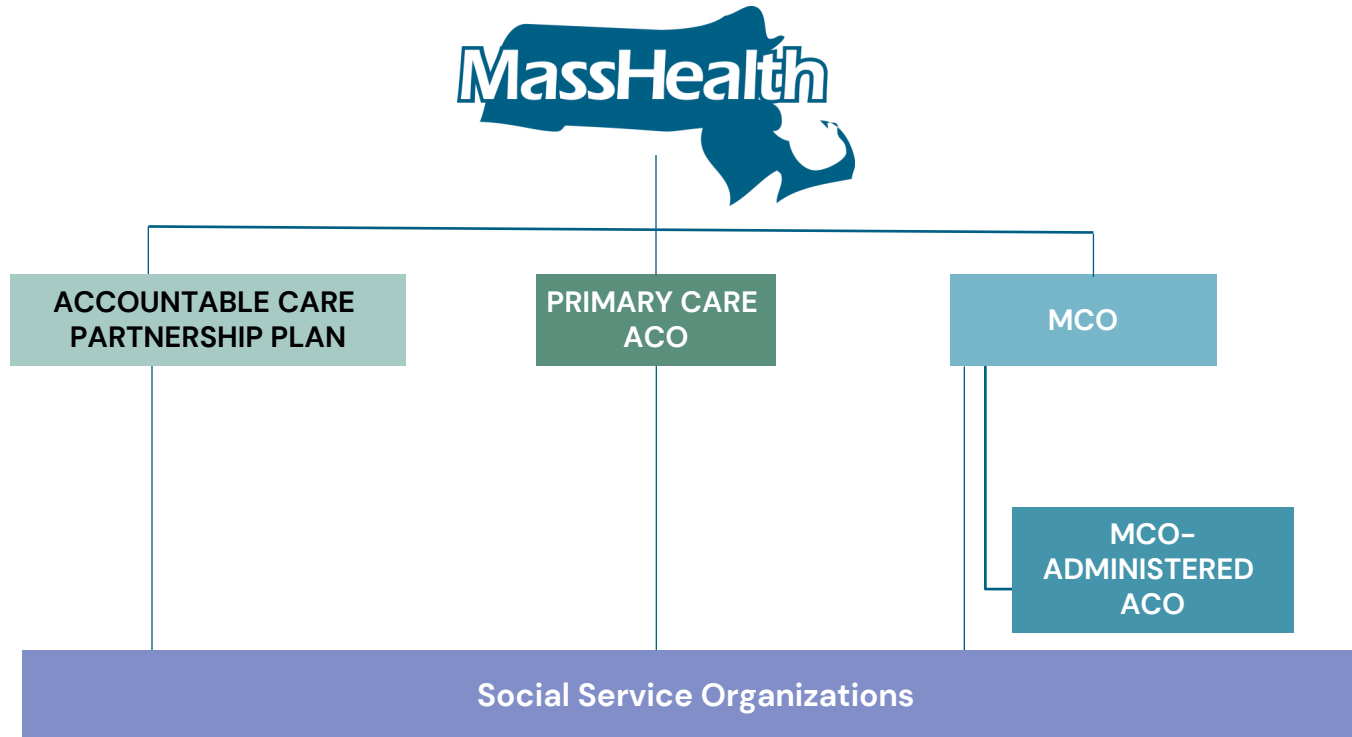
MASSHEALTH ACCOUNTABLE CARE ORGANIZATIONS (ACOS)



MASSHEALTH COMMUNITY PARTNERS (CPS)



FLEXIBLE SERVICES PROGRAM (FSP)



Partnerships between ACOs and Social Service Organizations to provide FSP

87 FSPs APPROVED BY THE STATE

- **43 NUTRITION FSPs**
- **42 HOUSING FSPs**
- **2 JOINT NUTRITION/HOUSING FSPs**

ALL ACOs HAVE AN APPROVED FSP

CMS RECENTLY APPROVED MASSHEALTH'S LATEST 1115 DEMONSTRATION WAIVER EXTENSION

On September 28, 2022, CMS approved Massachusetts' request for a five-year extension of its MassHealth Section 1115 Demonstration waiver. This new waiver will be in effect from October 1, 2022 through December 31, 2027, and addresses the following goals.

CONTINUE AND REFINE PROGRAMS FROM PREVIOUS DEMONSTRATIONS

- Continue the ACO programs, but sunset model C
- Continue Community Partners and Flexible Services Programs

INVEST IN PRIMARY CARE, BEHAVIORAL HEALTH INTEGRATION

- Enhance primary care to support behavioral health integration
- Strengthen the workforce by offering student loan forgiveness for behavioral health clinicians

ADVANCE HEALTH EQUITY

- Initiative at ACO-participating hospitals to measure and reduce health care disparities
- Provide 12 months of continuous MassHealth eligibility after release from correctional facilities

CONTINUE TO SUPPORT SAFETY NET CARE HOSPITALS

- Continue the structure of the Safety Net Care Pool, a key source of funding for hospitals and other facilities that treat populations with limited access to care, for delivery system innovations in those facilities, and for subsidies to people purchasing care through the Health Connector.

MAINTAIN NEAR-UNIVERSAL HEALTH CARE COVERAGE

- Extend eligibility to three months prior to the date of application for pregnant people and children
- Allow members experiencing homelessness to remain enrolled for 24 months regardless of changes in their circumstances
- Eliminate the one-time spend-down currently required in CommonHealth for non-working disabled adults

MASSHEALTH IS IMPLEMENTING STRATEGIES TO MINIMIZE COVERAGE LOSS WHEN THE PUBLIC HEALTH EMERGENCY ENDS

To receive additional federal Medicaid funding during the COVID-19 public health emergency, states – including Massachusetts – protected members from losing Medicaid coverage by suspending eligibility redeterminations. MassHealth estimates that 700,000 MassHealth members would have been found ineligible or downgraded from their benefit without this policy.

Standard redetermination processes will resume once the public health emergency is ended.



WHAT IS UNNECESSARY COVERAGE LOSS?

Individuals who are still eligible can lose Medicaid coverage because they fail to submit required paperwork or documentation to prove their eligibility.

The best way to avoid unnecessary coverage loss is for eligibility to be verified using existing income data sources; no paperwork from the member is needed.



HEALTH EQUITY IMPLICATIONS

Black, Latinx, and other people of color are disproportionately at risk of losing coverage because people of color experience greater instability in employment and housing. These changes make it less likely that their eligibility can be verified using existing data sources and/or more likely that they will miss notices from MassHealth about the redetermination process.



MASSHEALTH'S STRATEGIES FOR REDUCING COVERAGE LOSS

MassHealth's plans include:

- Conducting a multi-lingual, culturally relevant outreach campaign.
- Increasing the number of automated renewals.
- Collecting updated contact information before eligibility protections end to increase member response rate.

MASSHEALTH: THE BASICS

KEY FINDINGS

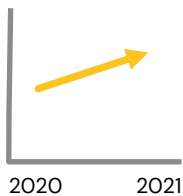
ENROLLMENT



More than half of MassHealth members have **income at or below 86% FPL** (\$19,806 per year for a family of three in 2022)



43% of Massachusetts children are MassHealth members

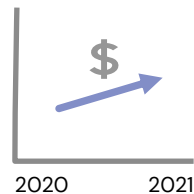


Enrollment grew sharply during the COVID-19 pandemic (between SFY 2020 and SFY 2021)*

SPENDING



Every dollar of MassHealth spending is **reimbursed by at least 50 cents** of federal revenue



Total **MassHealth spending increased as enrollment increased** from SFY 2020 to SFY 2021, but the cost per member decreased on average by 2%



MassHealth is an important source of **revenue for providers** — accounting for almost a fifth of hospital revenue and **over half of nursing facility revenue**

INNOVATIONS



Over half of MassHealth members are in **Accountable Care Organizations (ACOs)**

MassHealth continues to build on recent efforts to **improve the member experience for those with the most complex needs** and to address certain social needs known to impact health



MassHealth is pursuing **new approaches for improving health equity** — including holding providers and ACOs financially accountable for measuring and reducing inequities in health

*State Fiscal Year (SFY) 2020 starts 7/1/2019 and ends on 6/30/2020. SFY 2021 starts on 7/1/2020 and ends on 6/30/2021.

CONTACT INFORMATION

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Download the complete *MassHealth: The Basics* chart pack at <https://www.bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2022>.



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