

MassHealth: The Basics

FACTS AND TRENDS





WEBINAR – NOVEMBER 14, 2023



Robert W. Seifert
Consultant




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MassHealth: The Basics FACTS AND TRENDS

PREPARED BY
COMMONWEALTH MEDICINE
UNIVERSITY OF MASSACHUSETTS CHAN MEDICAL SCHOOL

WEBINAR – NOVEMBER 2022



Q&A Chat Raise Hand Settings

AGENDA

- Introduction
- Eligibility and Enrollment
- Benefits and Delivery Systems
- Spending and Cost Drivers
- Reforms

PRESENTERS

- Massachusetts Medicaid Policy Institute,
Blue Cross Blue Shield of Massachusetts Foundation
 - Katherine Howitt
 - Jessie Gottsegen

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 the state's 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

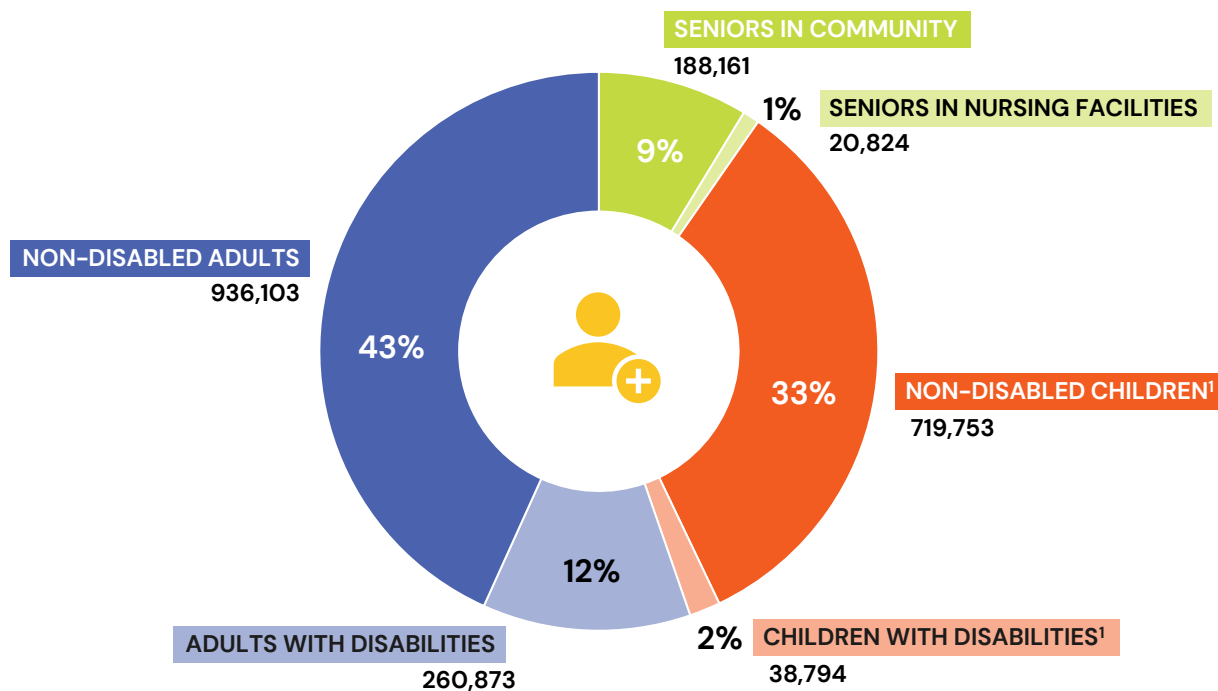


EQUITY

INNOVATION

CHILDREN, SENIORS, AND PEOPLE WITH DISABILITIES MAKE UP 57% OF MASSHEALTH MEMBERS

PERCENT OF TOTAL MASSHEALTH ENROLLMENT (2.17 MILLION), SFY 2022



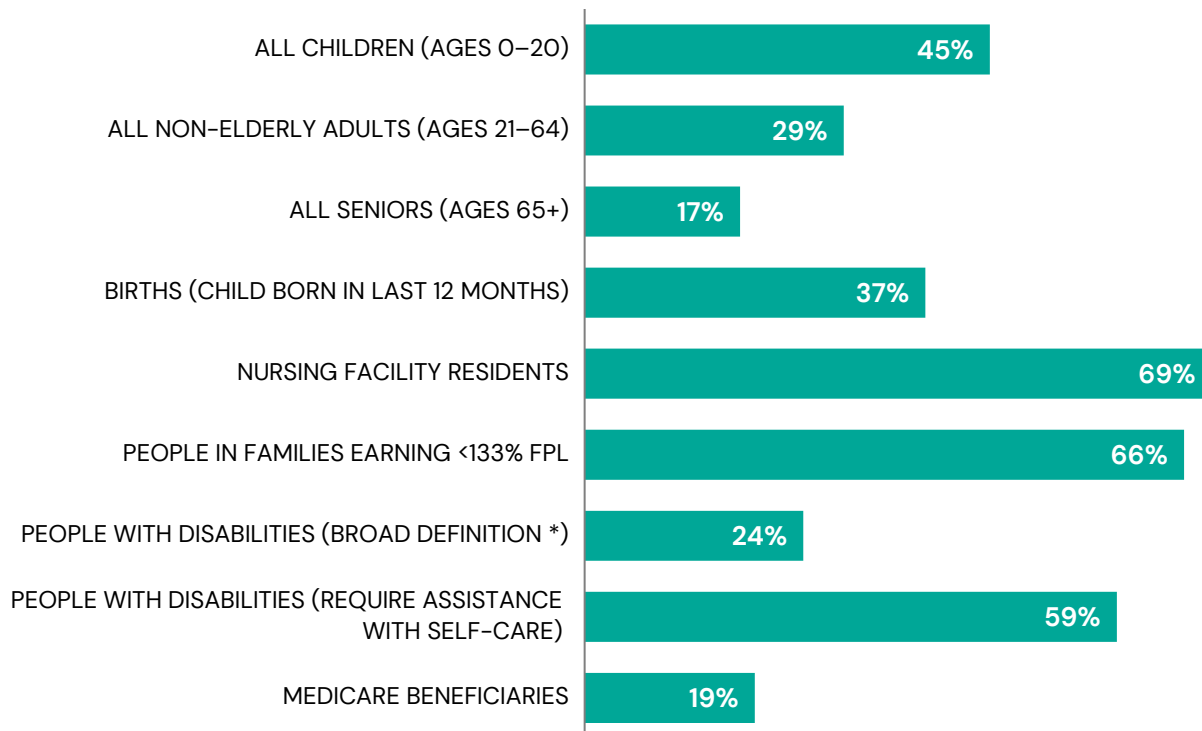
¹ Children defined as under age 21.

² MassHealth may provide additional or augmented covered services when a member has primary insurance that does not provide coverage for certain needed services.

SOURCE: MassHealth Budget Office.

MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH

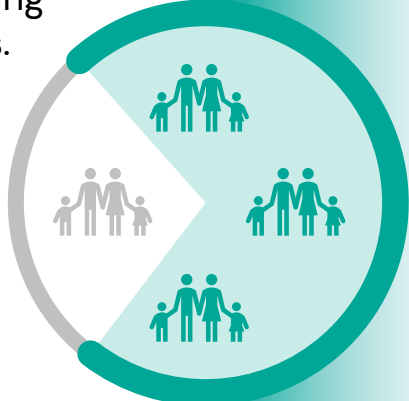


*Deaf or serious difficulty hearing; blind or serious difficulty seeing; cognitive, ambulatory, self-care, or independent living difficulty.

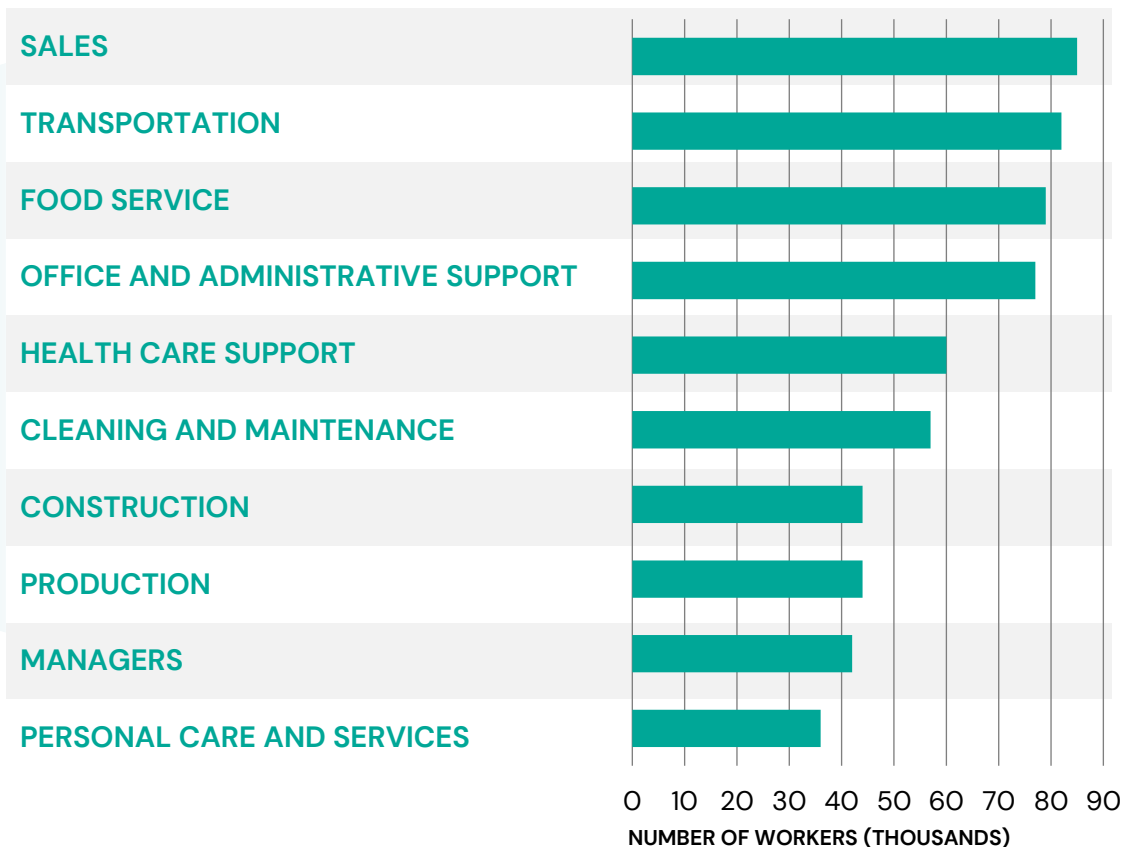
SOURCES: Authors' calculations for "all children," "all non-elderly adults," and "all seniors" calculated using the 2017–2021 American Community Survey (ACS) 5-Year Estimates and data from MassHealth Budget Office. "Nursing Facility Residents" calculation uses Nursing facility data from Massachusetts Center for Health Information and Analysis. Baseline Report: Trends in the Massachusetts Nursing Facility Industry 2013–2017 November 2019), accessed at [Massachusetts Nursing Facilities \(chiamass.gov\)](https://www.mass.gov/info-details/massachusetts-nursing-facilities)

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

Nearly **three quarters** of MassHealth members under the age of 65 live in working families.



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



SOURCES: Kaiser Family Foundation. Distribution of the Nonelderly with Medicaid by Family Work Status, 2021. Accessed at: [Distribution of the Nonelderly with Medicaid by Family Work Status | KFF](#).
Authors' industry calculations using the American Community Survey (ACS) 2022 1-Year Public Use Microdata Samples.

MASSHEALTH RESUMED ELIGIBILITY REDETERMINATIONS IN APRIL 2023 IN RESPONSE TO THE END OF THE PUBLIC HEALTH EMERGENCY

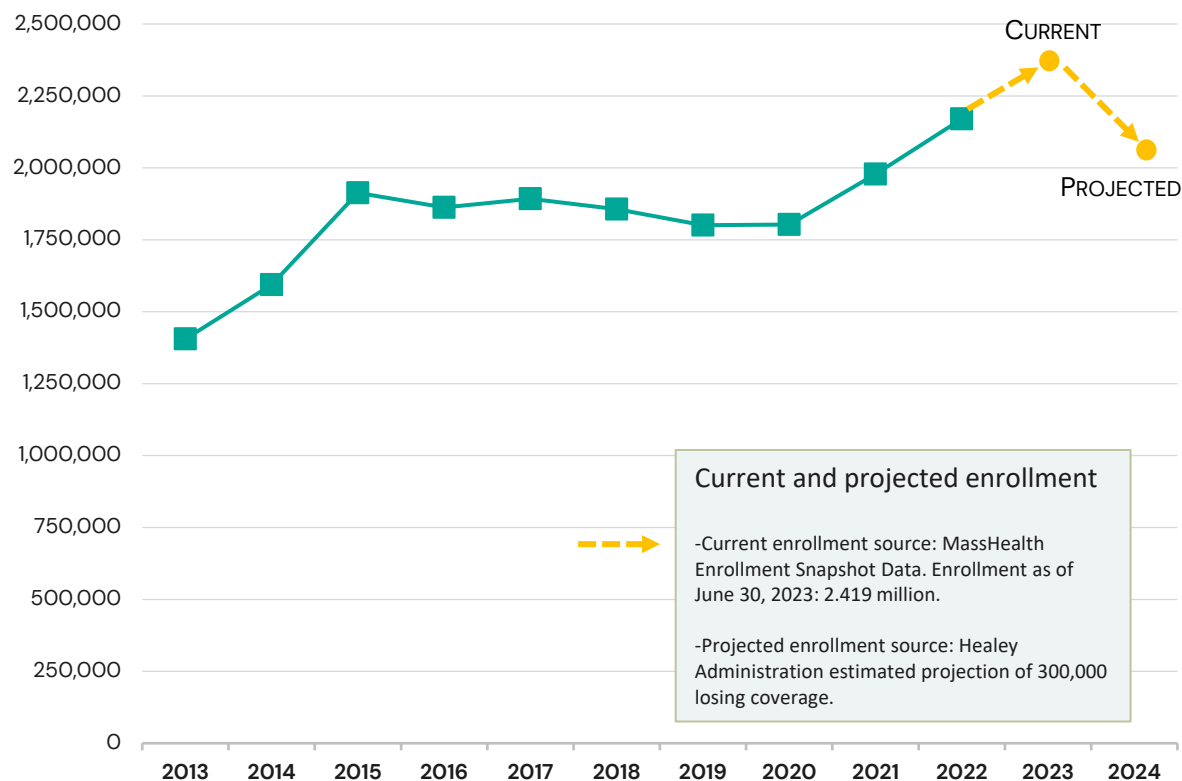
During the COVID-19 public health emergency (PHE), the federal government offered enhanced funding to support states' Medicaid programs. As a condition of receiving these funds, states were required to provide continuous coverage to members. These federal coverage protections ended on April 1, 2023, and MassHealth is currently redetermining eligibility for all members. This process has the potential to result in coverage loss even for people who should still be eligible, and in response MassHealth has developed a robust strategy to try to minimize coverage disruption.



SOURCES: MassHealth. MassHealth Eligibility Redeterminations(April 2023). [MassHealth Redeterminations Resources](https://www.mass.gov/info-details/masshealth-eligibility-redetermination-outreach-toolkit). Redeterminations Outreach Toolkit: Phase 1. <https://www.mass.gov/info-details/masshealth-eligibility-redetermination-outreach-toolkit>. Redeterminations Outreach Toolkit: Phase 2. <https://www.mass.gov/info-details/redeterminations-outreach-toolkit-phase-2> MassHealth. MassHealth Redetermination Dashboard. <https://www.mass.gov/info-details/masshealth-redetermination-dashboard> Health Care for All. MassHealth Redetermination Campaign. https://hcfama.org/policy_campaigns/redeterminationcampaign/

MASSHEALTH ENROLLMENT SHARPLY INCREASED FROM SFY 2020 TO 2022 BUT IS PROJECTED TO FALL AGAIN AFTER SFY 2023

TRENDS IN MASSHEALTH ENROLLMENT, STATE FISCAL YEARS (SFY) 2007–2022¹



¹ The analysis throughout this report generally uses average enrollment by State Fiscal Year (SFY). The SFY data comes from MassHealth Budget Office. This chart uses a combination of data sources. It uses SFY data from the MassHealth Budget Office for 2013–2022. For 2023, this chart uses point-in-time data from the MassHealth Enrollment Snapshot for June 30, 2023. For 2024, this chart uses the Healey Administration estimated projection of 300,000 losing coverage (Jessica Bartlett, "It is going to be disruptive: MassHealth rolls set to shrink by 300,000, Healey Estimates." *The Boston Globe*, March 1, 2023.)

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 treatment²
- Dental services
- Transportation to medical appointments¹

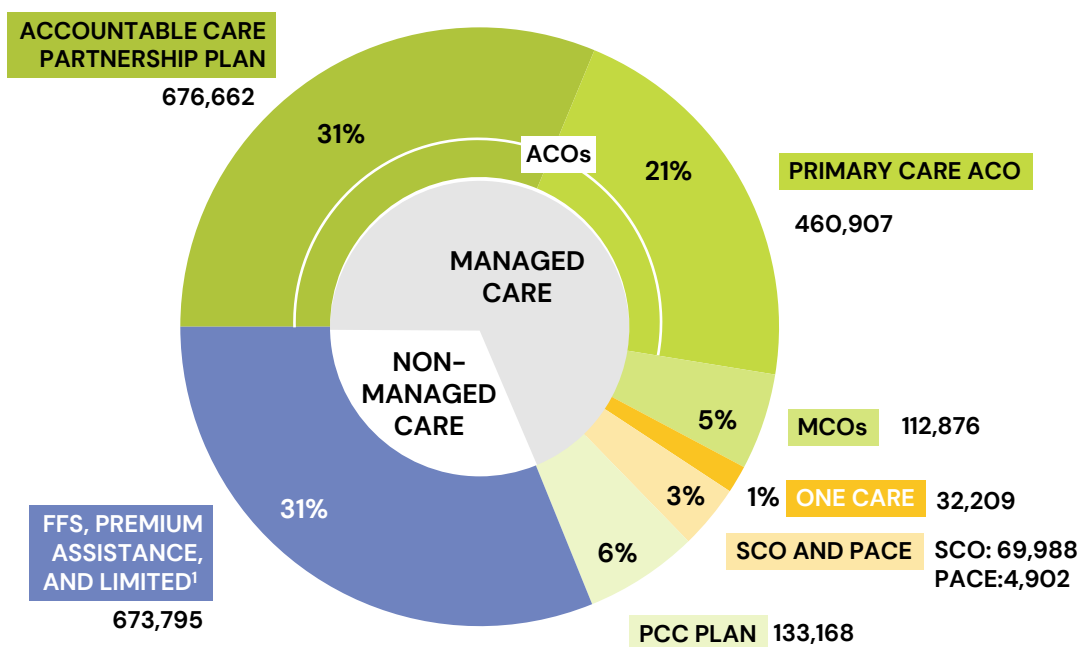


¹ LTSS and transportation to medical appointments are available to most but not all MassHealth members.

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/info-details/health-care-access-bureau>.

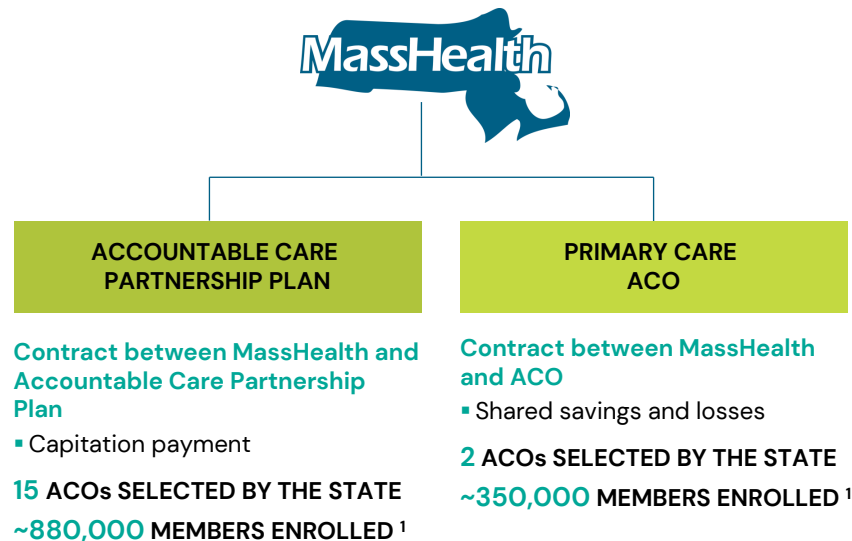
AMONG ALL MASSHEALTH MEMBERS, 69% WERE ENROLLED IN MANAGED CARE IN SFY 2022, WITH OVER HALF OF ALL MEMBERS IN ACOs

MASSHEALTH ENROLLMENT BY PAYER TYPE, SFY 2022



¹ Premium assistance includes premium subsidies from MassHealth for employer-sponsored health insurance. MassHealth Limited provides coverage for emergency medical services for about 243,822 noncitizens (for SFY 2022).
SOURCE: MassHealth Budget Office.

MASSHEALTH ACCOUNTABLE CARE ORGANIZATIONS (ACOS)



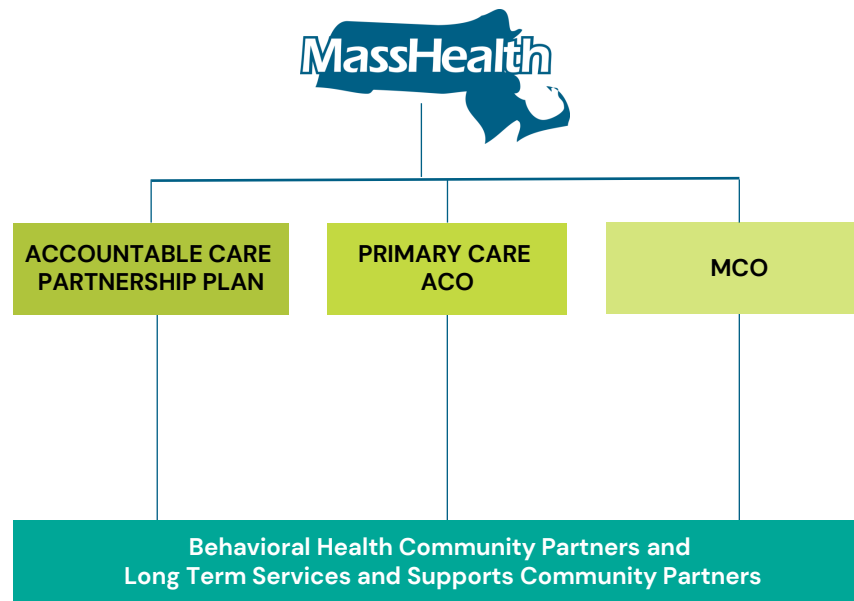
With the selection of new ACOs in April 2023, an estimated 525,000 members joined one of the new ACO plans.²

¹ ACO enrollment has shifted from SFY 2022 (slide 21) to 2023 because there are two more Accountable Care Partnership Plans and one less Primary Care ACO than in SFY 2022. Members are assigned to ACOs based on the affiliation of their primary care provider. These numbers represent estimates as of April 2023

² MassHealth presentation on ACO Relaunch for Advocates Meeting Presentation, February 2023

SOURCES: Massachusetts Health Policy Commission. February 2023. Care Delivery Transformation meeting presentation. Available from: <https://www.mass.gov/doc/presentation-02152023-cdt-meeting>
Executive Office of Health and Human Services. March 2023. All Provider Bulletin 363. Available from: <https://www.mass.gov/doc/all-provider-bulletin-363-accountable-care-organization-program-updates-0>

MASSHEALTH COMMUNITY PARTNERS (CP)



Agreements between ACOs/MCOs and Community Partners

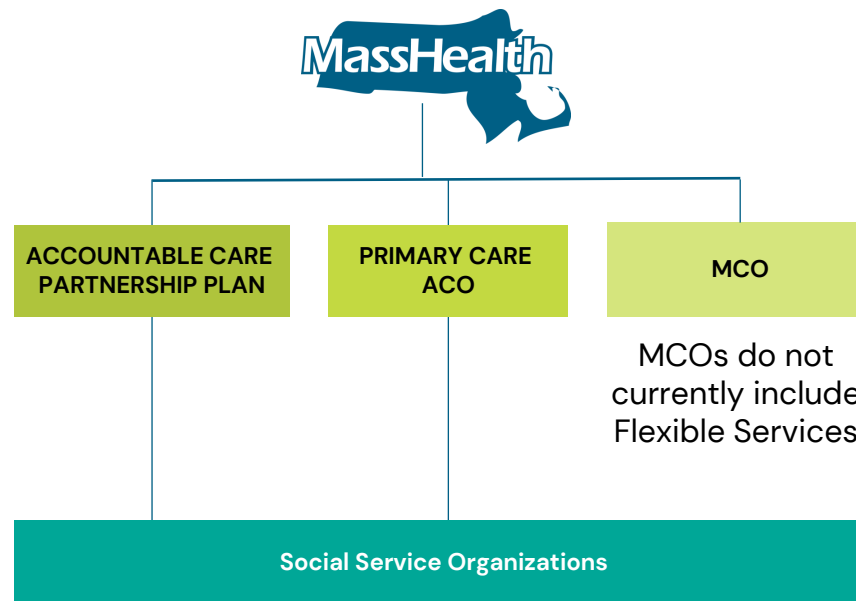
- Per Member Per Month payment
- ACOs and MCOs pay CPs directly

12 BH CPs SELECTED BY THE STATE
~31,000 TOTAL MEMBERS ENROLLED

8 LTSS CPs SELECTED BY THE STATE
~10,500 TOTAL MEMBERS ENROLLED

SOURCES: MassHealth. Payment and Care Delivery Innovation (PCDI) Initiative for Providers. Available: <https://www.mass.gov/payment-care-delivery-innovation-pcdi-for-providers>
 Massachusetts Health Policy Commission. February 2023. Care Delivery Transformation meeting presentation. Available from: <https://www.mass.gov/doc/presentation-02152023-cdt-meeting>

FLEXIBLE SERVICES PROGRAM (FSP)



Partnerships between ACOs and Social Service Organizations to provide FSP

82 FSPs APPROVED BY THE STATE ²

- 41 NUTRITION FSPs
- 40 HOUSING FSPs
- 1 JOINT NUTRITION/HOUSING FSPs

ALL ACOs HAVE AN APPROVED FSP

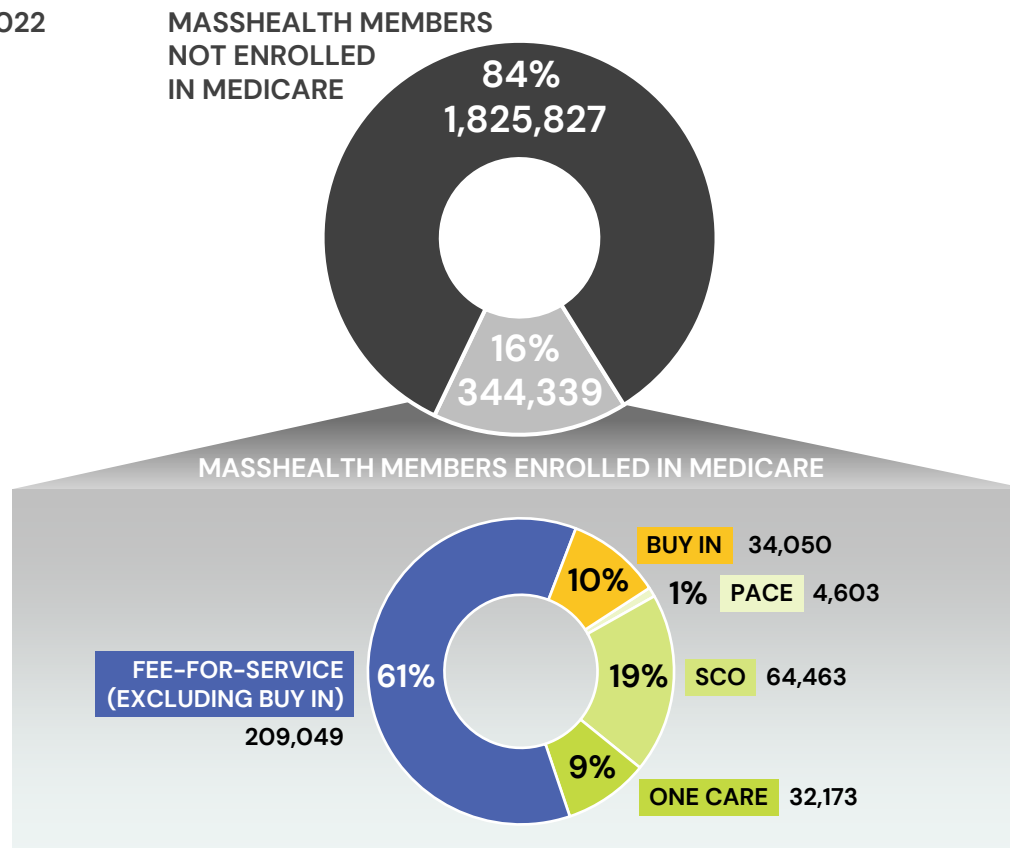
SINCE 2020, MORE THAN 20,000 ACO MEMBERS HAVE RECEIVED APPROXIMATELY \$50 MILLION IN HOUSING OR NUTRITION SUPPORTS

¹MassHealth Health Plan Contracts. ACPP Model Contract section 2.22 and PCACO Model Contract section 2.13. (2023). <https://www.mass.gov/masshealth-health-plan-contracts>

SOURCES: Massachusetts Health Policy Commission. February 2023. Care Delivery Transformation meeting presentation. Available from: <https://www.mass.gov/doc/presentation-02152023-cdt-meeting>

AMONG MASSHEALTH MEMBERS WHO ARE ALSO ENROLLED IN MEDICARE, FEWER THAN ONE THIRD ARE ENROLLED IN MANAGED CARE PLANS

SFY 2022



¹ Massachusetts Executive Office of Health and Human Services. (2023). [One Care Homepage](#).

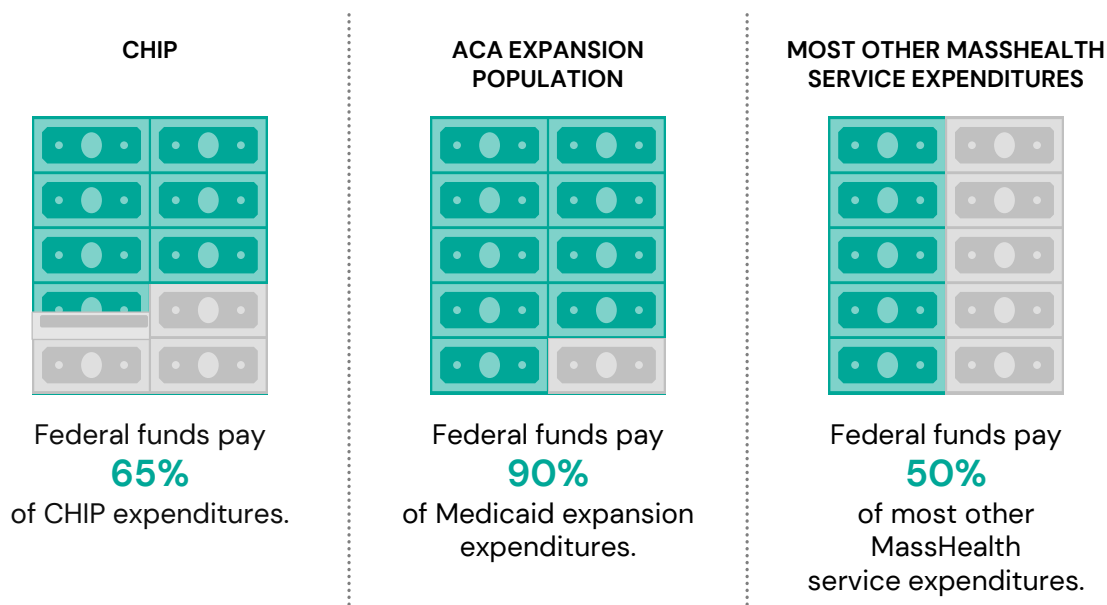
² Massachusetts Executive Office of Health and Human Services. (2023). [One Care Transition Planning](#).

NOTES: The bottom pie chart only shows members who are enrolled in Medicare and Medicaid. In addition, there are SCO and PACE enrollees who are not enrolled in both MassHealth and Medicare. The MassHealth buy-in covers Medicare premiums, co-pays, and deductibles, but does not cover other MassHealth Standard services. Eligibility for the buy-in program was expanded in January 2020, increasing buy-in enrollment

SOURCE: MassHealth Budget Office.

NEARLY 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, TYPICAL LEVELS



=



FEDERAL FUNDS



=

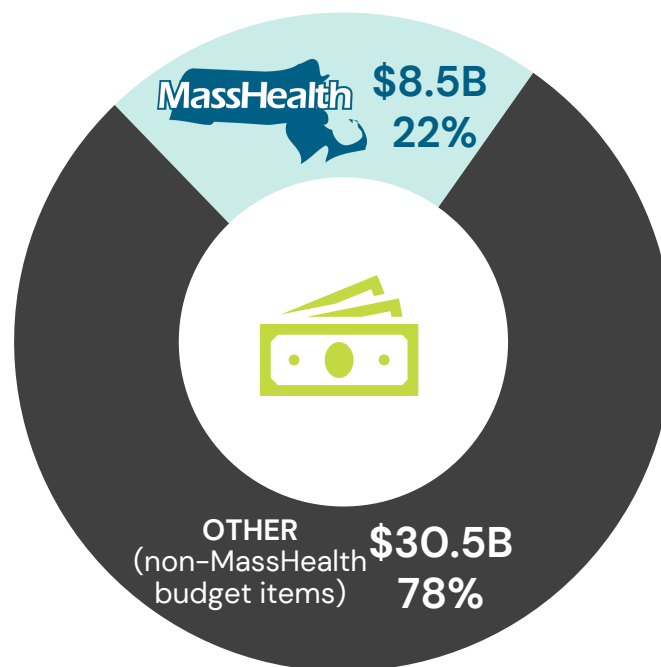


STATE FUNDS

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.

MASSHEALTH ACCOUNTS FOR APPROXIMATELY 22% OF THE STATE BUDGET, NET OF FEDERAL REVENUES

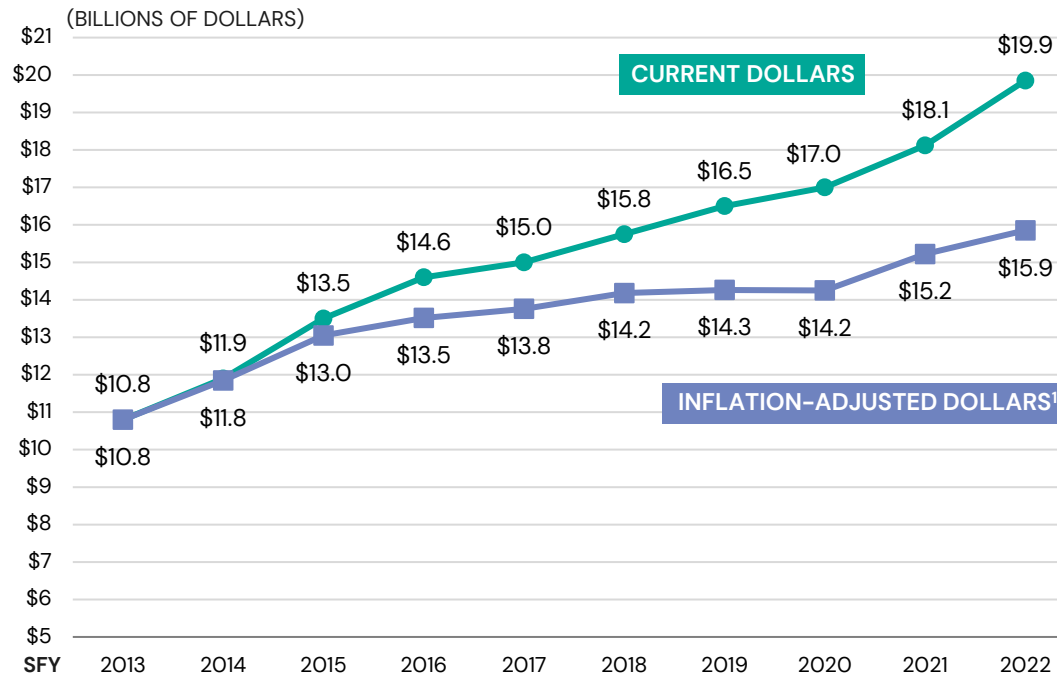
MASSACHUSETTS TOTAL STATE SPENDING NET OF FEDERAL REVENUES (\$39 BILLION), SFY 2022



SOURCES: Massachusetts Budget and Policy Center (2022). [What is the Actual State Cost of MassHealth in State Fiscal Year 2022?](#) Blue Cross Blue Shield of Massachusetts Foundation. See also: Massachusetts Budget and Policy Center (2019). [What is the Actual State Cost of MassHealth in 2019?](#) Blue Cross Blue Shield of Massachusetts Foundation.

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

MASSHEALTH TOTAL PROGRAMMATIC SPENDING, SFY 2013–2022



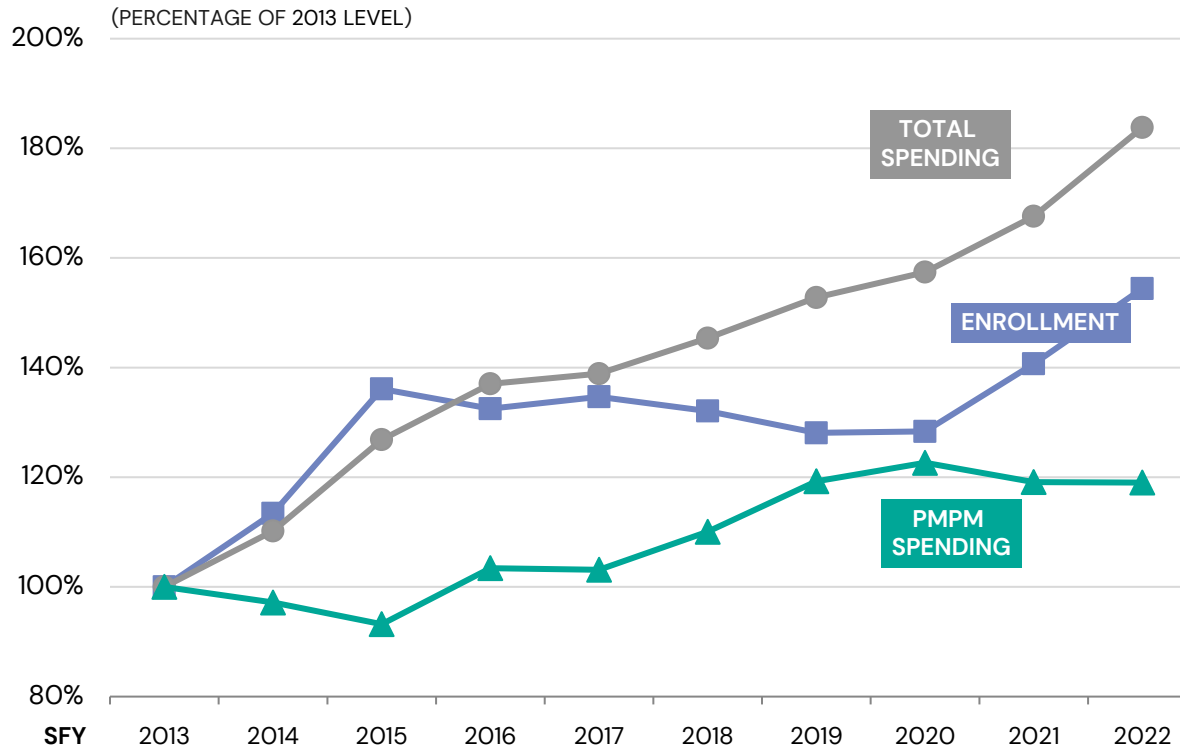
NOTE: This analysis reflects gross spending amounts, which includes both state and federal shares. The spending amounts include claim and capitation payments for medical benefits provided by MassHealth, and do not include the cost of Medicare or commercial premiums, Medicaid–reimbursable services from other state agencies, administrative spending, or risk corridor payments to managed care plans, or supplemental payments to providers. Note that this slide contains actual programmatic spending data while the previous slide contains budgeted state spending net of federal revenues.

¹ Inflation adjustment uses the Medical Consumer Price Index for the Boston area, from the U.S. Bureau of Labor Statistics.

SOURCES: MassHealth Budget Office and authors' calculations.

WHILE ENROLLMENT AND OVERALL PROGRAM SPENDING INCREASED DURING SFY 2021–2022, SPENDING PER MEMBER REMAINED STEADY

GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT, AND PER MEMBER PER MONTH (PMPM) COSTS¹ AS COMPARED TO SFY 2013 (SFY 2013 = 100%)

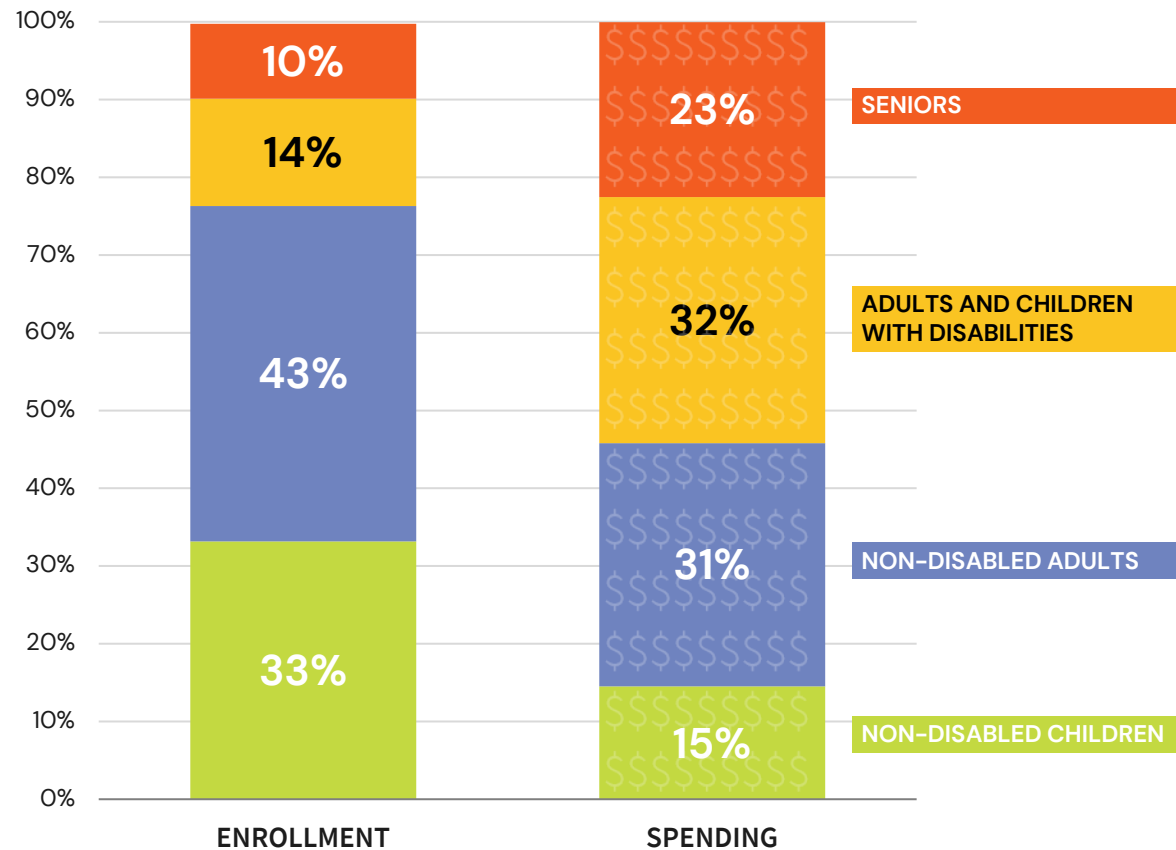


¹ This PMPM drop was a result of temporary Medicaid coverage that was initiated in 2014 at the start of the ACA expansion. The temporary members caused some of the spike in enrollment, as well as the declining PMPM, as these members used fewer health care services.

SOURCES: MassHealth Budget Office (total date of service spending and enrollment) and authors' calculations.

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

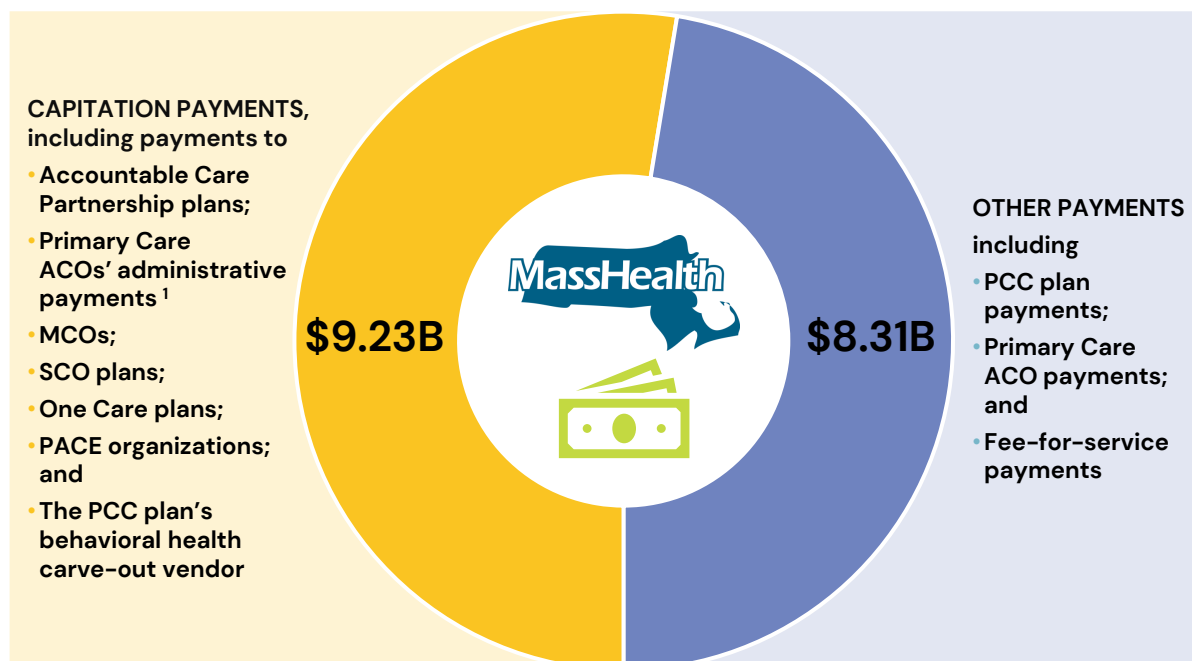
DISTRIBUTION OF MASSHEALTH ENROLLMENT AND SPENDING BY VARIOUS POPULATIONS, SFY 2022



SOURCE: MassHealth Budget Office.

OVER HALF OF MASSHEALTH SPENDING IN SFY 2022 WAS ON CAPITATION PAYMENTS

TOTAL MASSHEALTH SPENDING = \$17.54 BILLION, SFY 2022



¹ Primary Care ACO administrative payments are made on a per enrollee, per month basis. Primary Care ACOs are primarily paid on a shared savings / shared loss model that is not considered to be a capitated payment.

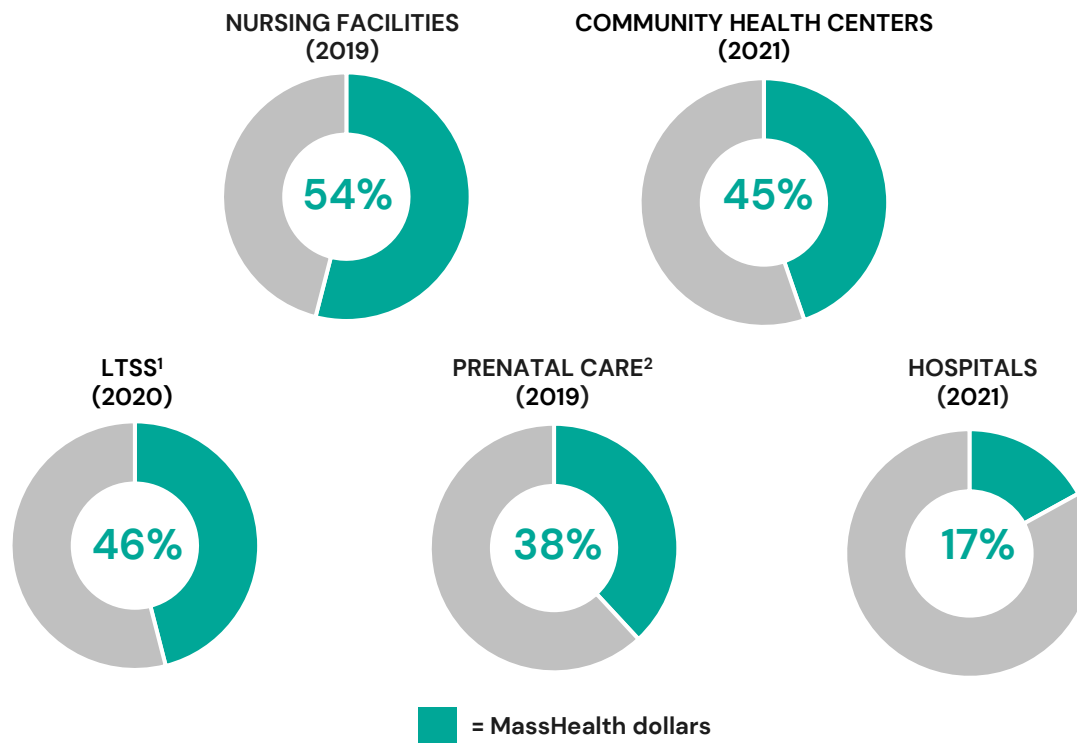
² This total does not include spending on Medicare premiums. The figures also do not include Medicaid-reimbursable services from other state agencies, administrative spending, or supplemental payments to hospitals.

³ MassHealth Budget Office.

SOURCE: MassHealth Budget Office.

MASSHEALTH SPENDING IS IMPORTANT TO MANY TYPES OF PROVIDERS

MASSHEALTH REVENUE AS A PERCENTAGE OF PROVIDERS' TOTAL PATIENT REVENUES



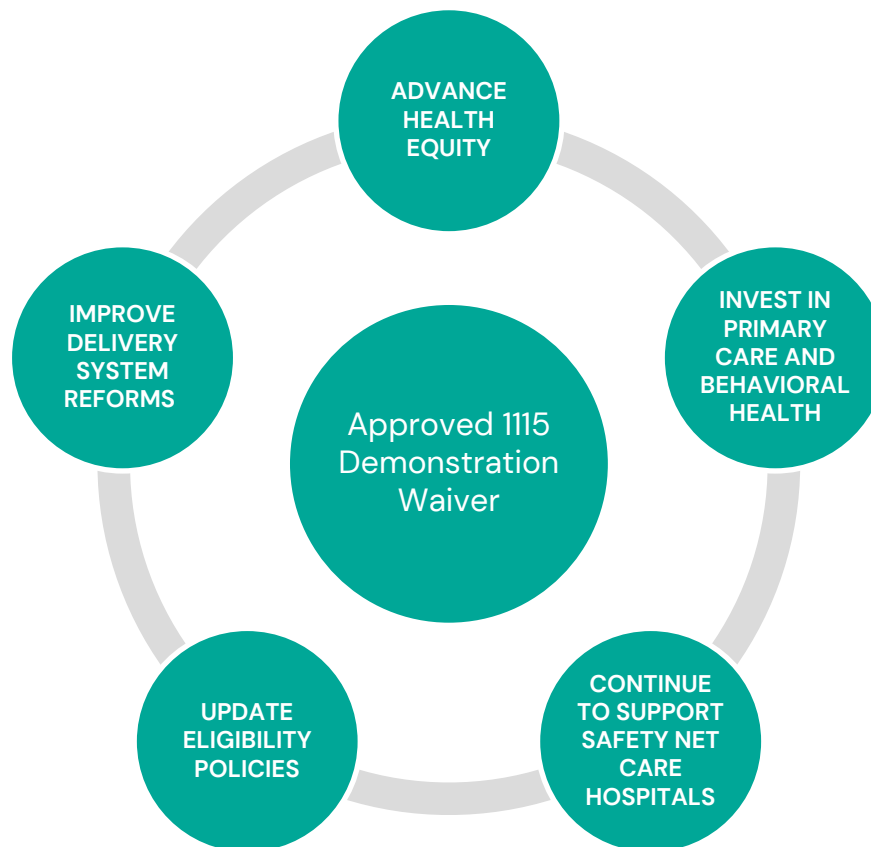
¹ Includes spending for private sector establishments primarily engaged in providing skilled nursing services in the home along with a range of the following: personal care services; homemaker and companion services; physical therapy; medical social services; medications; medical equipment and supplies; counseling; 24-hour home care; occupation and vocational therapy; dietary and nutritional services; speech therapy; audiology; and high-tech care, such as intravenous therapy.

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

SOURCES: Center for Health Information and Analysis (CHIA) (2021), Massachusetts Hospital Profiles (SFY 2021 data); CHIA Cost Reports (Nursing Facilities — Calendar Year 2019); Health Resources and Services Administration, Bureau of Primary Health Care, Uniform Data System Report (CHCs — federal FY 2021 data) (limited to HRSA-funded CHCs); CMS National and State Health Expenditure Accounts (LTSS); MA DPH; Massachusetts Births 2019, Table 1. Trends in Birth Characteristics.

LATEST EXTENSION OF MASSHEALTH'S 1115 DEMONSTRATION WAIVER ADVANCES REFORMS, FOCUSES ON EQUITY

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 includes features that:



SOURCES: Massachusetts Executive Office of Health and Human Services. (2023). 1115 MassHealth Demonstration ("Waiver"). <https://www.mass.gov/service-details/1115-masshealth-demonstration-waiver>. Blue Cross Blue Shield of Massachusetts Foundation. (2023). The MassHealth Demonstration Extension 2022–2027: Building on Success, Focusing on Equity. <https://www.bluecrossmafoundation.org/publication/masshealth-demonstration-extension-2022-2027-building-success-focusing-equity>.

MASSHEALTH HAS PROPOSED ADDITIONAL COVERAGE AND SERVICE EXPANSIONS

On October 16, 2023, MassHealth proposed a waiver amendment to CMS to advance health equity by expanding coverage and further addressing members' health-related social needs. The proposed waiver includes the following provisions:

PROPOSED 1115 DEMONSTRATION WAIVER AMENDMENT

- ✓ MassHealth services for people who are incarcerated for 90 days prior to release
- ✓ Coverage continuity for additional MassHealth members
- ✓ Coverage that extends backwards in time, prior to application date
- ✓ Coverage for post-hospitalization housing & short-term housing

SOURCE: Massachusetts Executive Office of Health and Human Services. (2023). Amendment Request of 1115 MassHealth Demonstration ("Waiver"). <https://www.mass.gov/doc/masshealth-section-1115-demonstration-amendment-request-2/download>

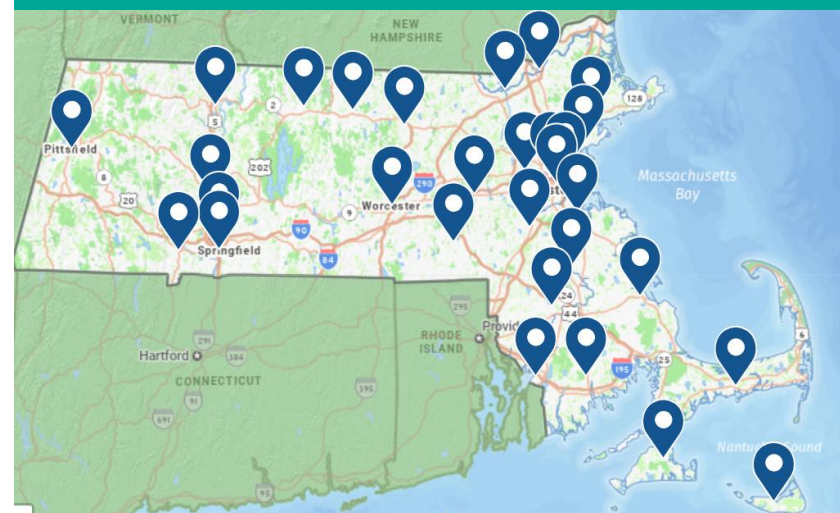
MASSHEALTH HAS ENHANCED ITS BEHAVIORAL HEALTH BENEFITS

As the Commonwealth institutes broad reforms to the behavioral health system through its “Roadmap for Behavioral Health Reform,” MassHealth plays a central role. MassHealth’s coverage of new services and providers are important components of the state’s overall efforts to improve access to timely behavioral health care.

ENHANCED MASSHEALTH BENEFITS

- ✓ Community Behavioral Health Centers (CBHCs)
- ✓ Expanded Provider types in FFS program
- ✓ Behavioral health Urgent Care
- ✓ MassHealth role in broader reforms

COMMUNITY BEHAVIORAL HEALTH CENTER LOCATIONS

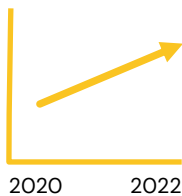


Sources: MassHealth provider regulations, 130 CMR 448 Community Behavioral Health Centers, Services 130 CMR 462 Licensed Independent Clinical Social Worker Services, 130 CMR 429 Mental Health Center Services, 130 CMR 411 Psychologist Services, 101 CMR 305: Rates for Behavioral Health Services Provided in Community Behavioral Health Centers; 130 CMR 461.000: Community Support Program Services. MassHealth Managed Care Entity Bulletin 76, December 2021 <https://www.mass.gov/doc/managed-care-entity-bulletin-76-behavioral-health-urgent-care-providers/download>. <https://www.mass.gov/community-behavioral-health-centers>.

MASSHEALTH: THE BASICS

KEY FINDINGS

ENROLLMENT

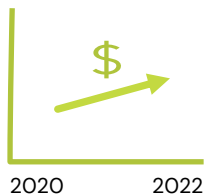


Enrollment grew sharply during the COVID-19 pandemic but is expected to shrink by about 300,000 in the coming year

Children, seniors, and people with disabilities make up 57% of MassHealth members



SPENDING



Total MassHealth spending increased as enrollment increased from SFY 2021 to SFY 2022*, but the **cost per member did not increase**

BENEFITS AND DELIVERY SYSTEMS



More than two-thirds of MassHealth members are enrolled in managed care, with **over half of members enrolled in Accountable Care Organizations (ACO)**

For some members, ACOs offer **housing and nutrition supports** through the Flexible Services Program and **care coordination** through Community Partners



61% of spending on Long Term Services and Supports (LTSS) is for community-based care, **helping MassHealth members remain in their homes**

REFORMS



MassHealth is pursuing new approaches for improving **health equity**, including holding hospitals financially accountable for measuring and reducing **disparities**

MassHealth continues to **improve the member experience** for those with the most complex needs and to address certain **health related social needs** (such as food security) known to impact health



MassHealth has **expanded its range of behavioral health services**, including access to urgent behavioral health care and supportive services provided by people with lived experience

*State Fiscal Year (SFY) 2021 starts 7/1/2020 and ends on 6/30/2021. SFY 2022 starts on 7/1/2021 and ends on 6/30/2022.

LET'S REVIEW THE ANSWERS

1. **Which of the following groups is NOT served by MassHealth?**
 - Kids
 - Seniors
 - People living with disabilities
 - Low-income people enrolled in Medicare
 - None of the above! MassHealth serves all of these groups

2. **What portion of MassHealth members is enrolled in a managed care plan? Is it:**
 - None
 - A third
 - Around half
 - Over two thirds

3. **What portion of the state budget does spending for MassHealth represent, after accounting for the federal revenues the program generates?**
 - Less than half
 - Half
 - More than half

CONTACT INFORMATION

Massachusetts Medicaid Policy Institute (MMPI) Blue Cross Blue Shield of Massachusetts Foundation

Katherine Howitt

Katherine.Howitt@bcbsma.com

Jessie Gottsegen

Jessica.Gottsegen@bcbsma.com

Download the complete *MassHealth: The Basics* chart pack at:
<https://www.bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2023>

