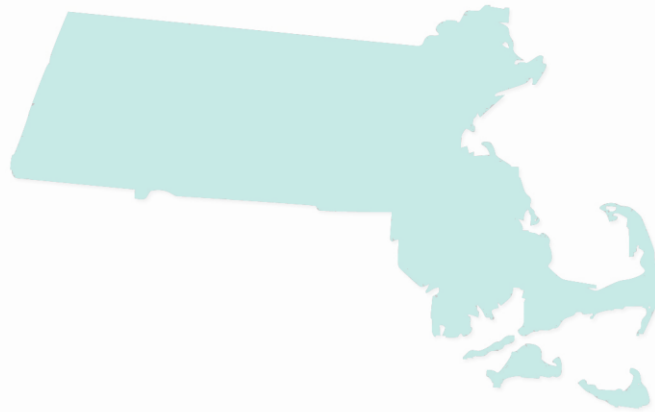


# MassHealth: The Basics

## FACTS AND TRENDS



WEBINAR – NOVEMBER 20, 2024




Robert W. Seifert  
*Consultant*


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## MassHealth: The Basics FACTS AND TRENDS



WEBINAR – NOVEMBER 20, 2024

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MEDICAID POLICY  
INSTITUTE

*for*Health  
CONSULTING  
at UMass Chan  
Medical School

Robert W. Seifert  
*Consultant*

Participants 3 Chat Raise hand Share Q&A Show captions Polls/quizzes Record More

## AGENDA

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

## PRESENTERS

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

## INTRODUCTION: THE IMPORTANCE OF MASSHEALTH

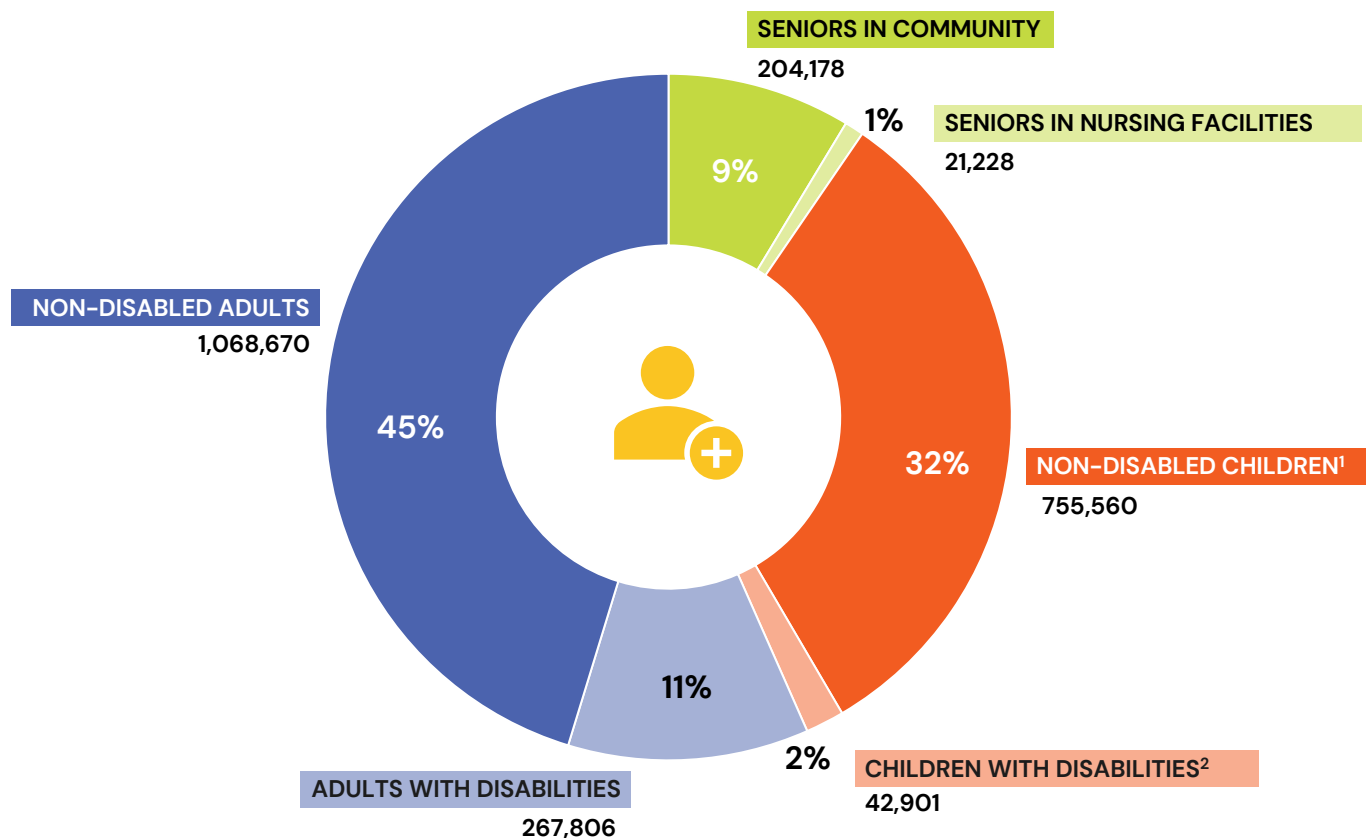
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MassHealth is Massachusetts' name for its Medicaid program and Children's Health Insurance Program (CHIP). MassHealth is a cornerstone of the health insurance landscape in Massachusetts and critical to the state's high rates of coverage and ongoing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



# CHILDREN, SENIORS, AND PEOPLE WITH DISABILITIES MAKE UP 55% OF MASSHEALTH MEMBERS

PERCENT OF TOTAL MASSHEALTH ENROLLMENT (2.36 MILLION)<sup>1</sup>, SFY 2023



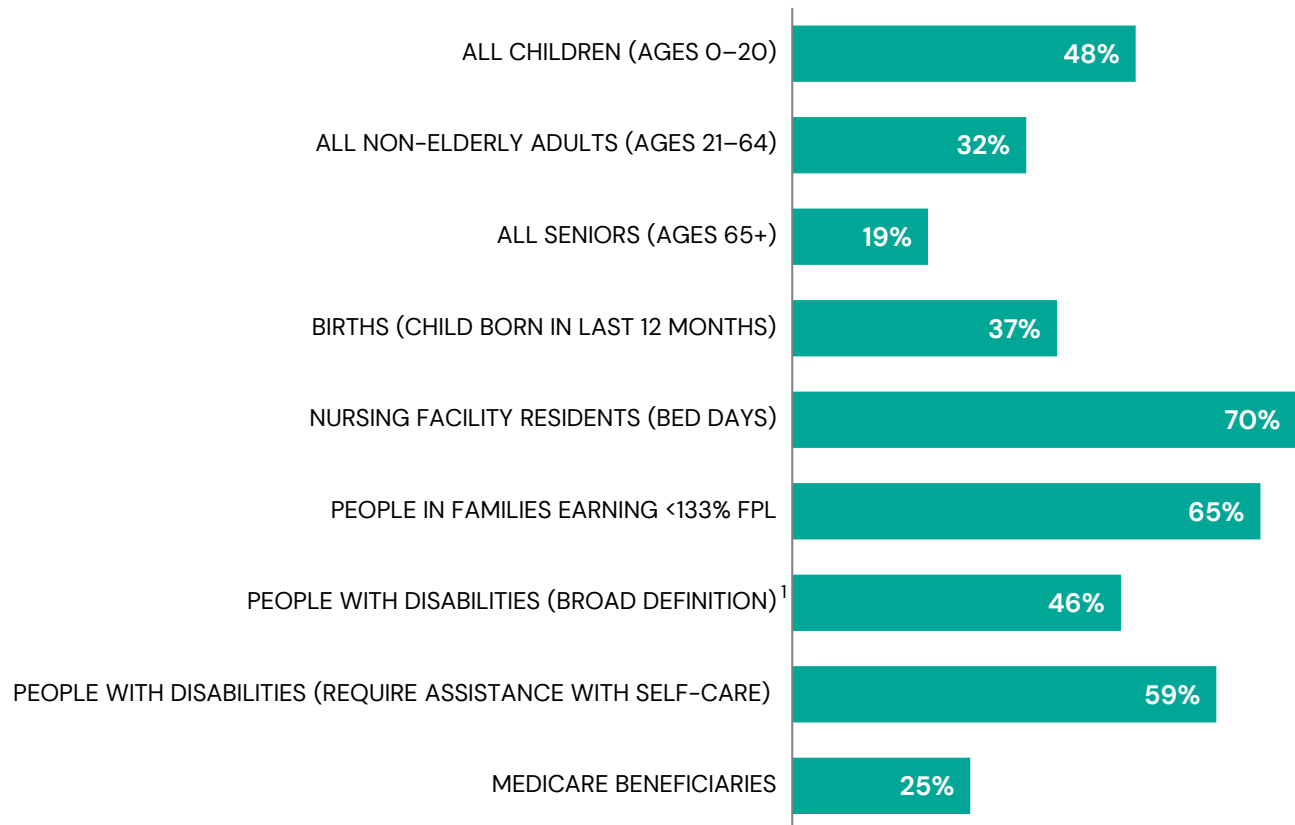
<sup>1</sup> Excludes 13,000 members in a temporary eligibility category, which does not distinguish by age or disability.

<sup>2</sup> Children defined as under age 21.

Chart Data: MassHealth Budget Office Data Request, March 2024.

# MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

## PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH



<sup>1</sup> Deaf or serious difficulty hearing; blind or serious difficulty seeing; cognitive, ambulatory, self-care, or independent living difficulty.

Chart Data: Authors' calculations using the 2018–2022 American Community Survey (ACS) 5-Year Estimates, CHIA 2020 Nursing Facility Cost Reports, and MassHealth Budget Office Data Request, March 2024.

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

Over **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**:

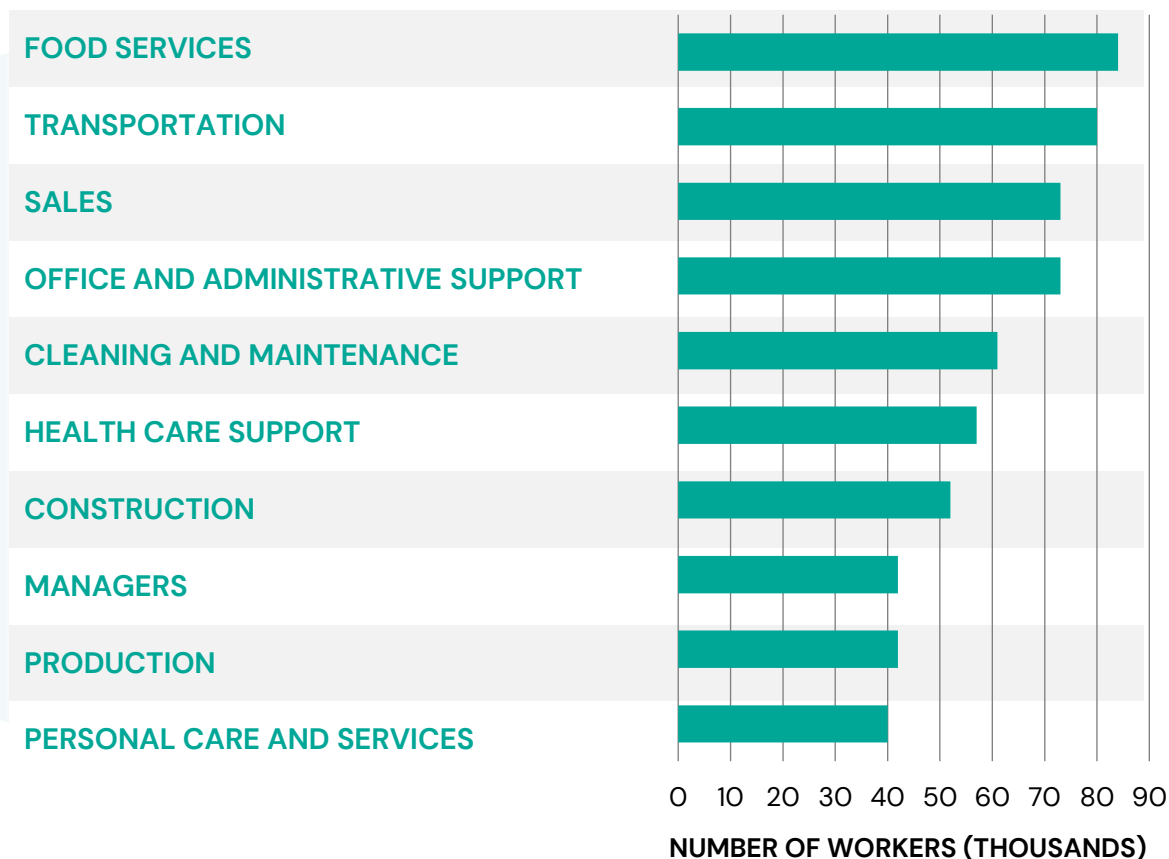


Chart Data: Authors' calculations using the American Community Survey (ACS) 2022 1-Year Public Use Microdata Samples.

# MASSHEALTH ENROLLMENT SHARPLY INCREASED FROM SFY 2020–2023 AND HAS FALLEN 16% DURING POST-PANDEMIC REDETERMINATIONS

TRENDS IN MASSHEALTH ENROLLMENT, STATE FISCAL YEARS (SFY) 2014–2023

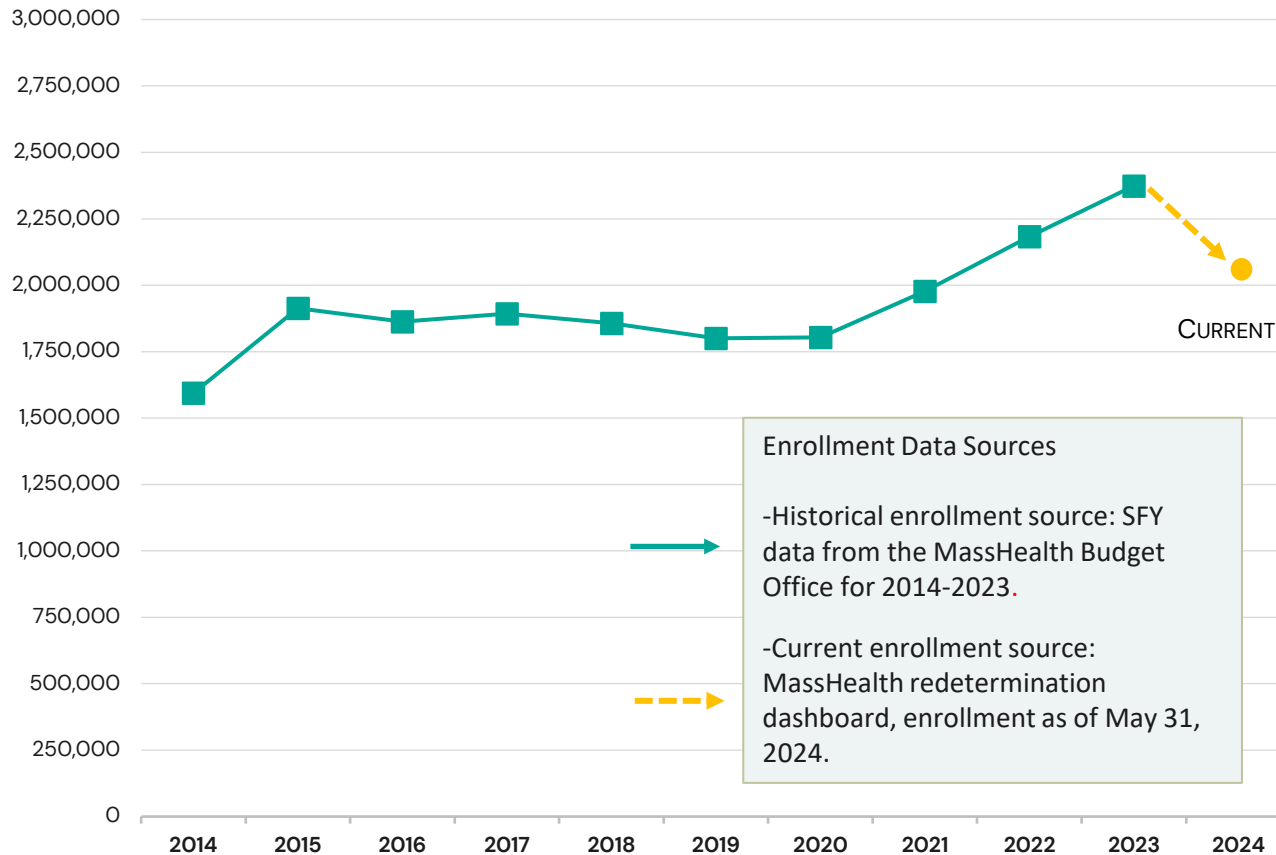


Chart Data: MassHealth Budget Office Data Request, March 2024, and MassHealth redetermination dashboard, May 2024.



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# QUESTIONS?

# MASSHEALTH PROVIDES COVERAGE SIMILAR TO COMMERCIAL INSURANCE, PLUS SOME ADDITIONAL BENEFITS<sup>1</sup>

## 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)<sup>2</sup>
- Expanded mental health/substance use disorder treatment
- Dental services
- Transportation to medical appointments<sup>2</sup>
- Doula services



<sup>1</sup> While most MassHealth members receive all the services described on this slide, some members may receive more limited benefit packages. See slide 19 for more information.

<sup>2</sup> LTSS and transportation to medical appointments are available to most but not all MassHealth members.

## MASSHEALTH COVERAGE TYPES

### WHAT DETERMINES COVERAGE TYPE?

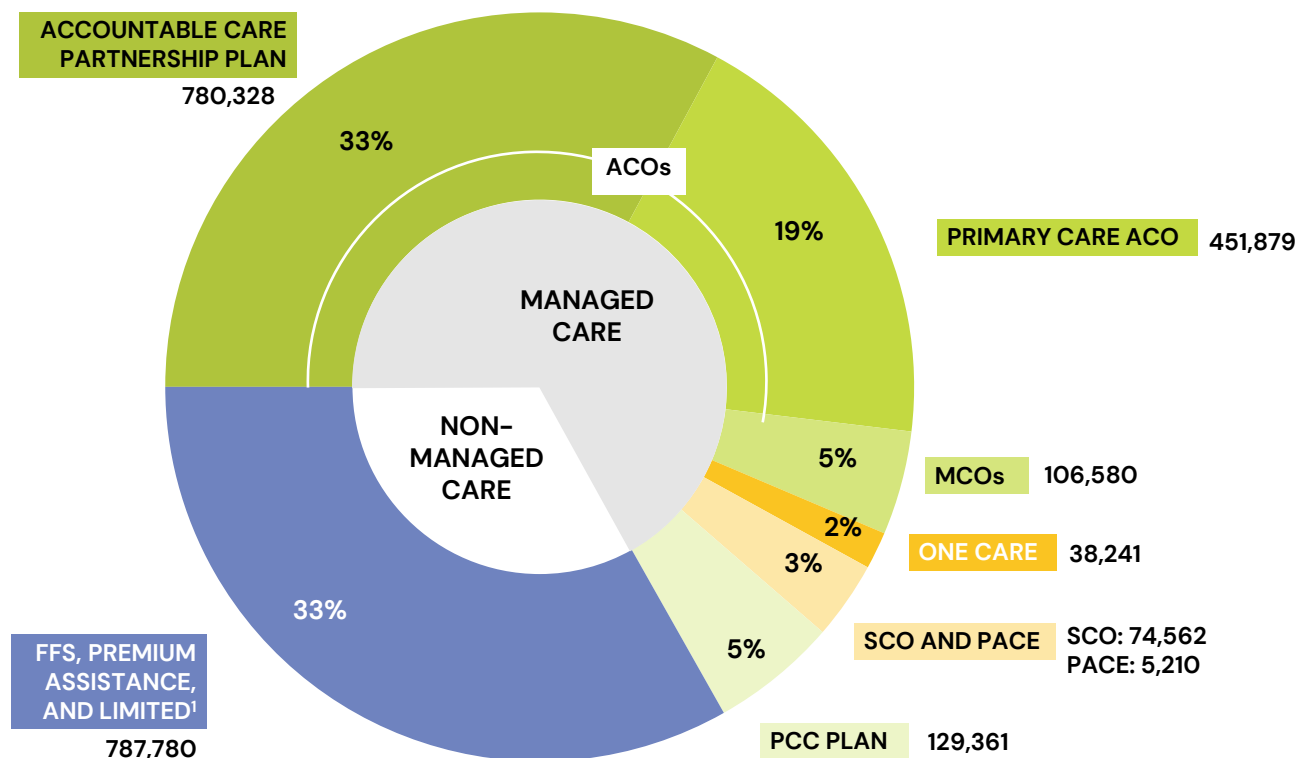
- Income
- Citizenship or immigration status
- Age
- Disability status
- Family status
- Special circumstances



COVERAGE TYPES	WHO QUALIFIES
Standard	Most children, adults, and seniors with and without disabilities (more than half of all members).
CommonHealth	Children and adults with disabilities who earn too much to qualify for Standard (about 2% of members).
CarePlus	Childless adults who do not qualify for other Coverage types (about 16% of members).
Family Assistance	Children with higher family incomes than what qualifies for Standard, adults with HIV-AIDS with income above the CarePlus income limit, and certain people who do not qualify for Standard because of their immigration status (about 6% of members).
Limited	People with an immigration status that does not allow them to qualify for a broader benefit package (about 13% of members).

# AMONG ALL MASSHEALTH MEMBERS, 67% WERE ENROLLED IN MANAGED CARE IN SFY 2023, WITH OVER HALF OF ALL MEMBERS IN ACOs

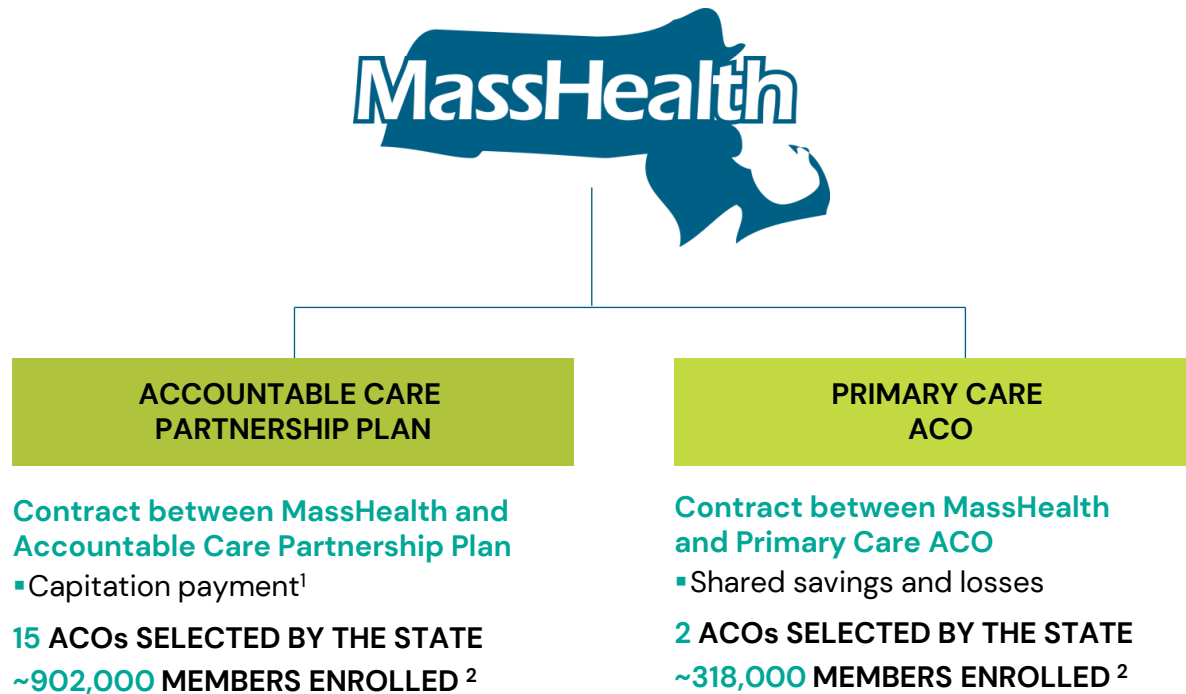
MASSHEALTH ENROLLMENT BY PLAN TYPE, SFY 2023



<sup>1</sup>Premium assistance includes premium subsidies from MassHealth for employer-sponsored health insurance. MassHealth Limited provides coverage for emergency medical services for about 298,575 noncitizens (for SFY 2023).

Chart Data: MassHealth Budget Office Data Request, March 2024.

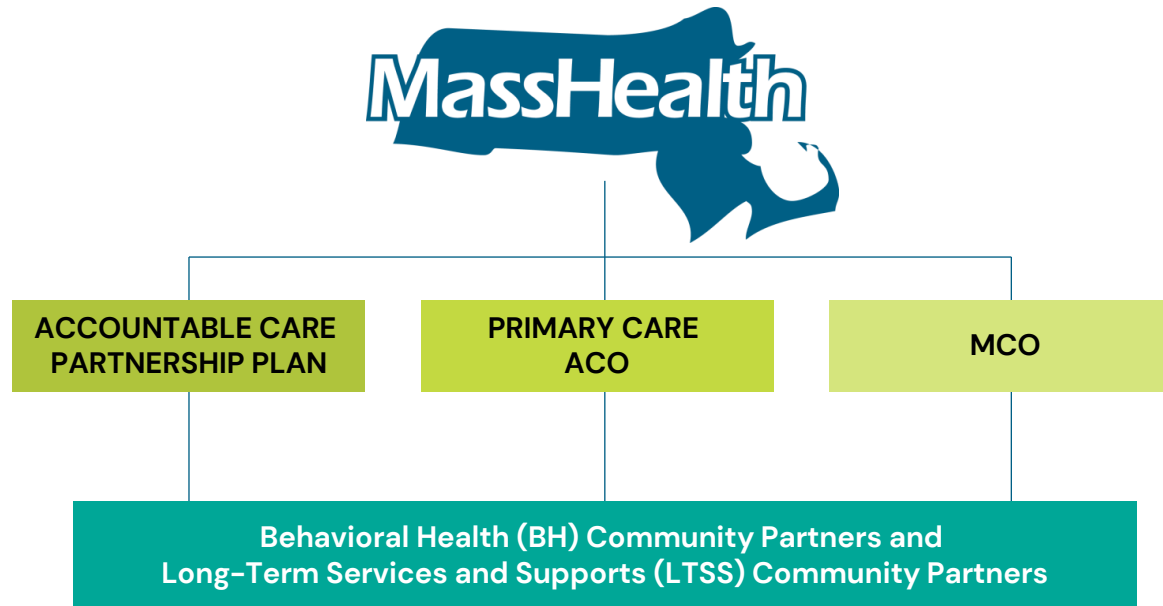
# MASSHEALTH ACCOUNTABLE CARE ORGANIZATIONS (ACOs)



<sup>1</sup> Large overall losses or gains relative to the capitation rate are shared between the Accountable Care Partnership Plan and the state. There are also risk-sharing arrangements for specific high-cost services (such as high-cost drugs).

<sup>2</sup> Accountable Care Partnership Plan ACO enrollment is higher and Primary Care ACO enrollment is lower in this slide compared to the SFY 2023 enrollment number on slide 22, because slide 22 presents average enrollment over the course of fiscal year 2023, while this slide includes a point in time snapshot as of January 2024. The available ACO plans changed in April 2023, and there was a shift in enrollment to Accountable Care Partnership Plans.

## MASSHEALTH COMMUNITY PARTNERS (CPs)



### Agreements between ACOs/MCOs and Community Partners

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

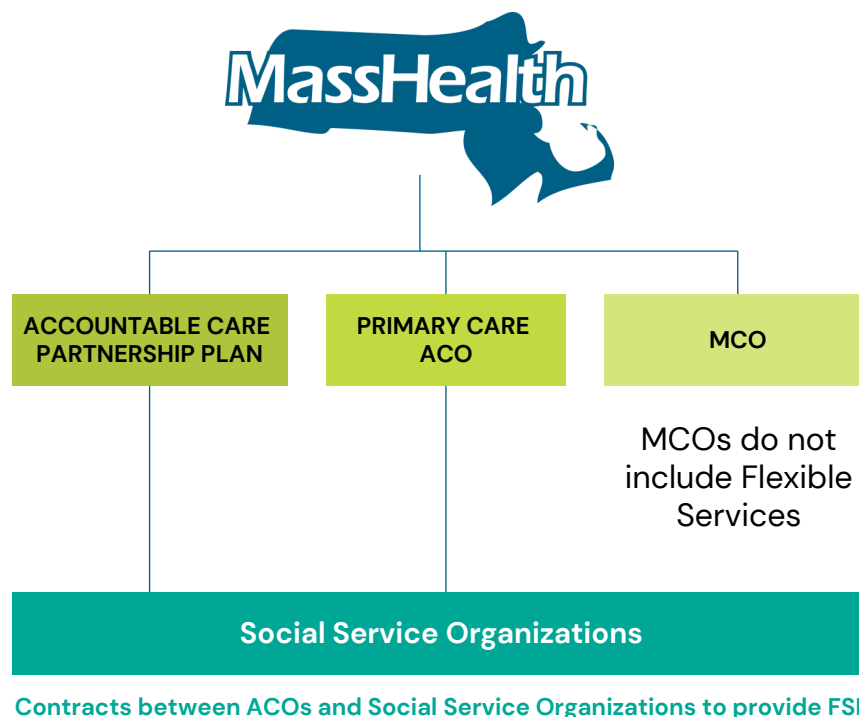
#### 12 BH CPs SELECTED BY THE STATE

Collectively BH CPs have 24,597 active members as of May 2024.

#### 8 LTSS CPs SELECTED BY THE STATE

Collectively LTSS CPs have 9,159 active members as of May 2024.

# FLEXIBLE SERVICES PROGRAM (FSP) WILL TRANSITION TO NEW FRAMEWORK IN 2025



**111 FSPs APPROVED BY THE STATE**  
(as of May 10, 2024)

- 51 NUTRITION FSPs
- 54 HOUSING FSPs
- 6 JOINT NUTRITION/HOUSING FSPs

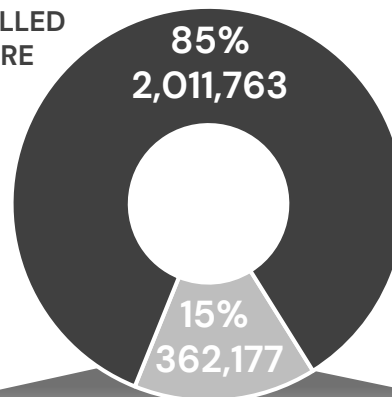
**ALL ACOs HAVE AT LEAST ONE NUTRITION AND ONE HOUSING FSP**

From January 2020 through December 2023, approximately **35,000 ACO members** have received approximately \$39 million in housing supports and \$69 million in nutrition supports.

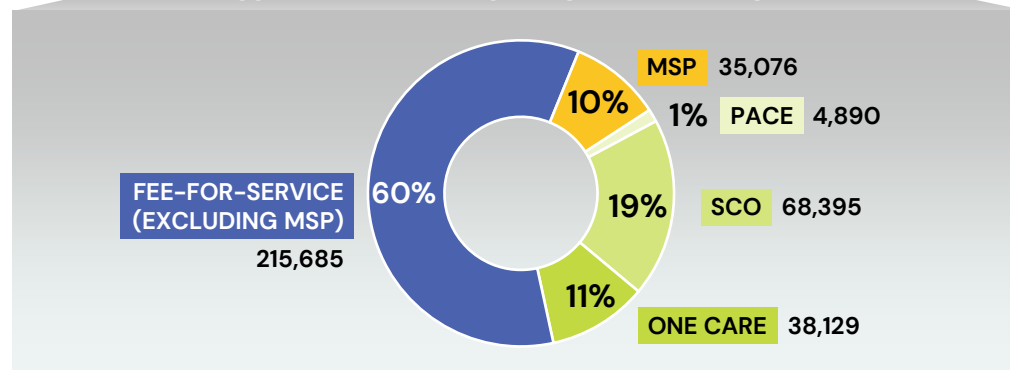
## AMONG MASSHEALTH MEMBERS WHO ARE ALSO ENROLLED IN MEDICARE, FEWER THAN ONE THIRD ARE ENROLLED IN MANAGED CARE PLANS

SFY 2023

MASHEALTH MEMBERS  
NOT ENROLLED  
IN MEDICARE



MASHEALTH MEMBERS ENROLLED IN MEDICARE <sup>1</sup>



<sup>1</sup>The bottom pie chart only shows members who are enrolled in Medicare and MassHealth. The pie chart excludes SCO and PACE enrollees who are not enrolled in both MassHealth and Medicare. The Medicare Savings Program (MSP) covers Medicare premiums, co-pays, and deductibles, but does not cover other MassHealth Standard services.

Chart Data: MassHealth Budget Office Data Request, March 2024.

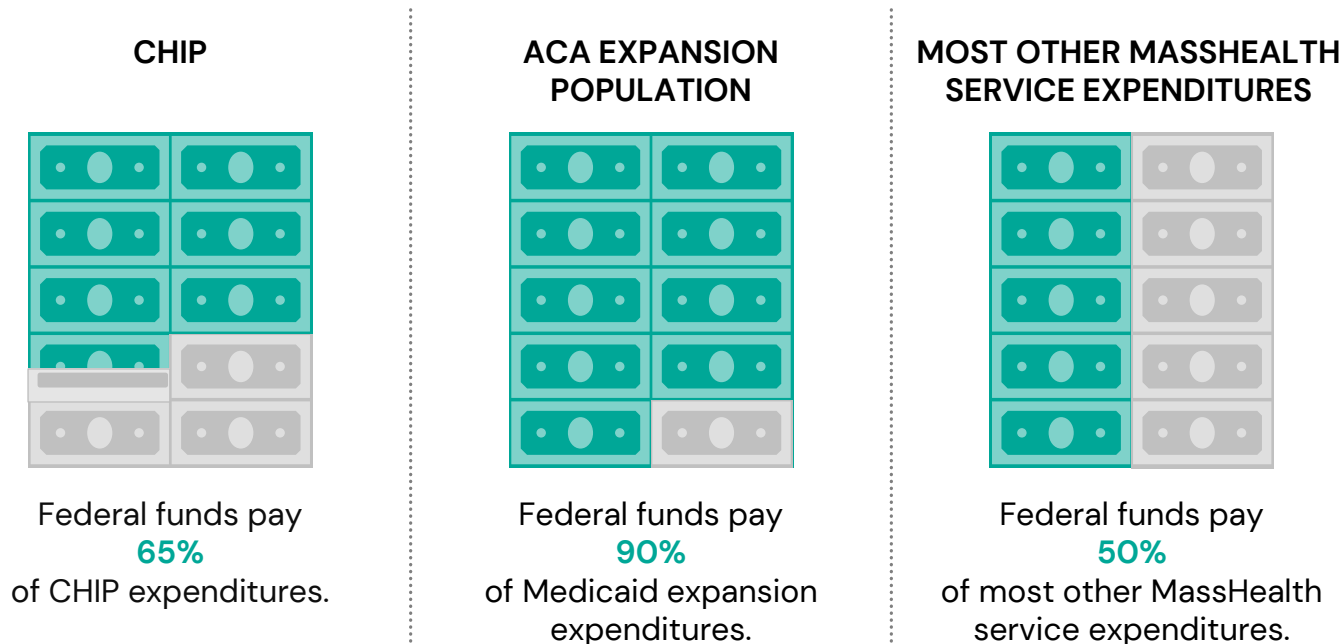


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# QUESTIONS?

# 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



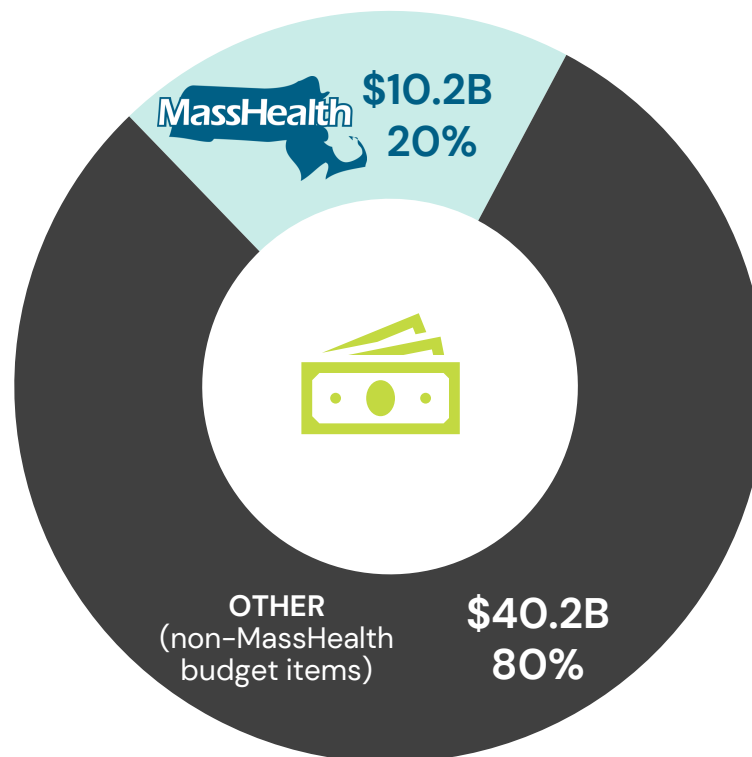
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STATE FUNDS

# MASSHEALTH ACCOUNTS FOR APPROXIMATELY 20% OF THE STATE BUDGET, NET OF FEDERAL REVENUES

MASSACHUSETTS TOTAL STATE SPENDING NET OF FEDERAL REVENUES (\$50.5 BILLION<sup>1</sup>), SFY 2025

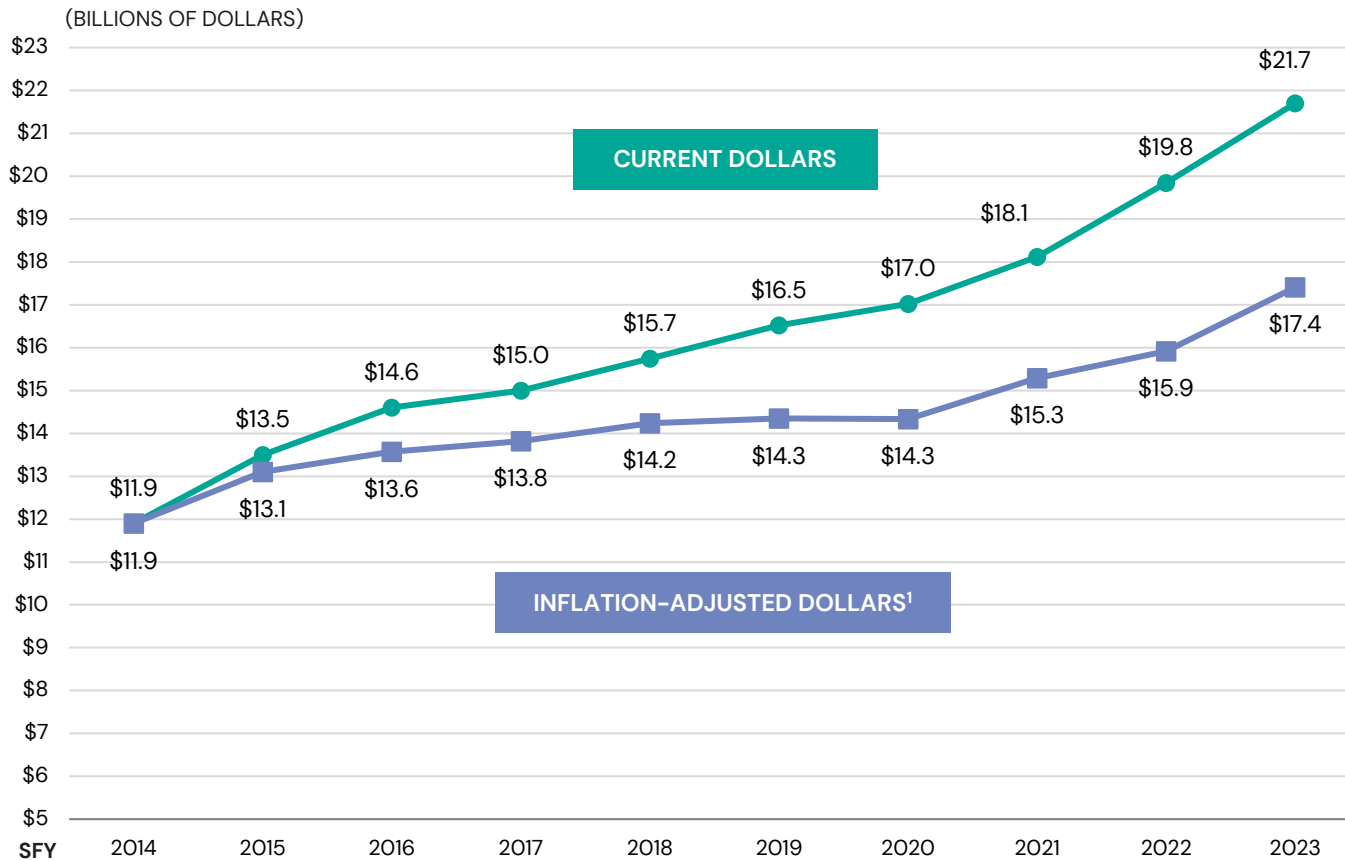


<sup>1</sup> The amounts in the chart are rounded, so they may not appear to add exactly to the totals shown.

Chart Data: N. Wagman. "What is the Actual Cost of MassHealth in State Fiscal Year 2025?" BCBSMA Foundation. May 2024.

# TOTAL MASSHEALTH SPENDING ROSE THROUGH THE PANDEMIC, DRIVEN LARGELY BY ENROLLMENT, AND IS STARTING TO LEVEL OFF

## MASHEALTH TOTAL PROGRAMMATIC SPENDING, SFY 2014–2023



<sup>1</sup>Medical cost inflation is based on the consumer price index specifically for medical care. The inflation adjustment uses the Medical Consumer Price Index for all urban consumers in the Boston area, from the Economic Research Division of the Federal Reserve Bank.

Chart Data: MassHealth Budget Office Data Request, March 2024.

## WHILE ENROLLMENT AND OVERALL PROGRAM SPENDING INCREASED FROM SFY 2020-2023, SPENDING PER MEMBER REMAINED STEADY

GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT, AND PER MEMBER PER MONTH (PMPM) COSTS AS COMPARED TO SFY 2014 (SFY 2014 = 100%)

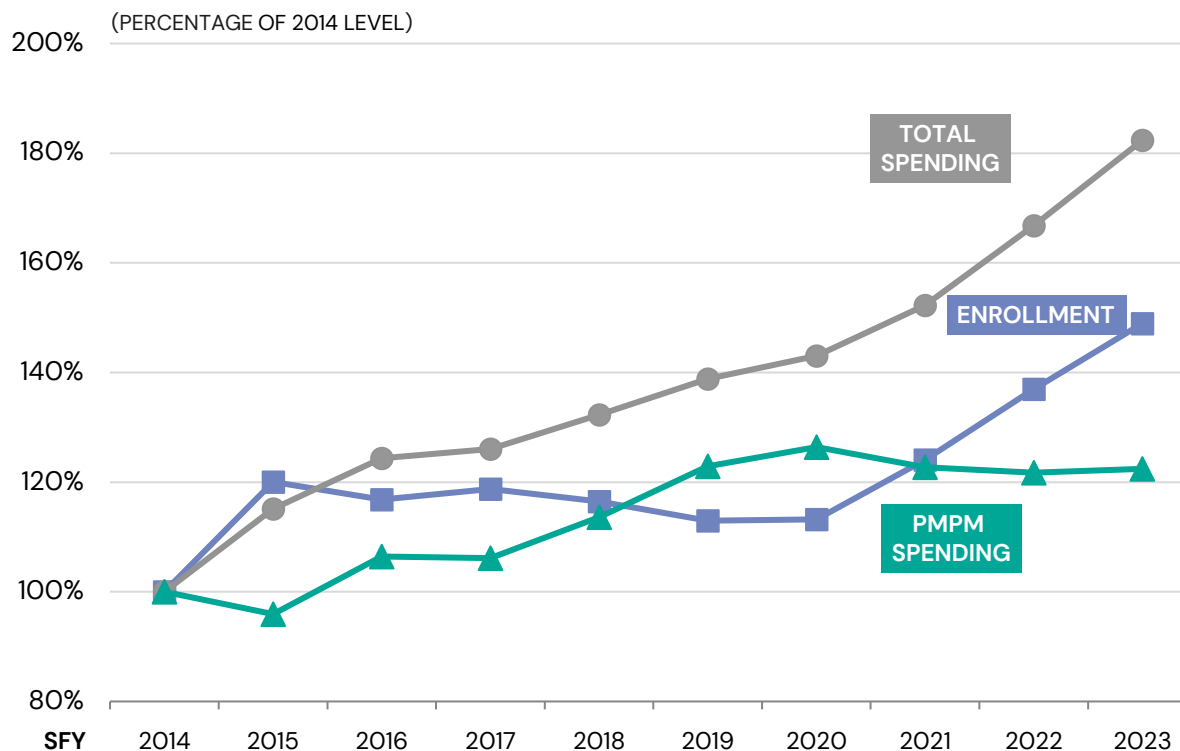
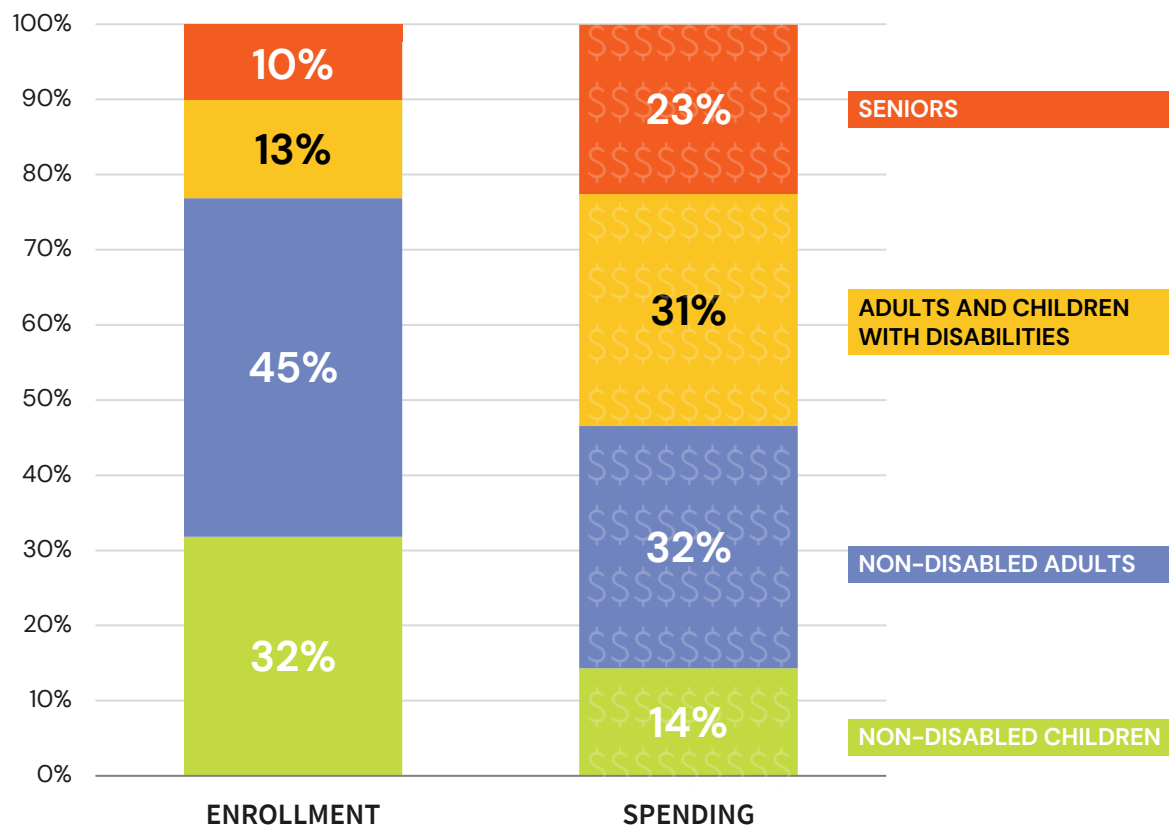


Chart Data: MassHealth Budget Office Data Request, March 2024.

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

DISTRIBUTION OF MASSHEALTH ENROLLMENT AND SPENDING BY VARIOUS POPULATIONS, SFY 2023

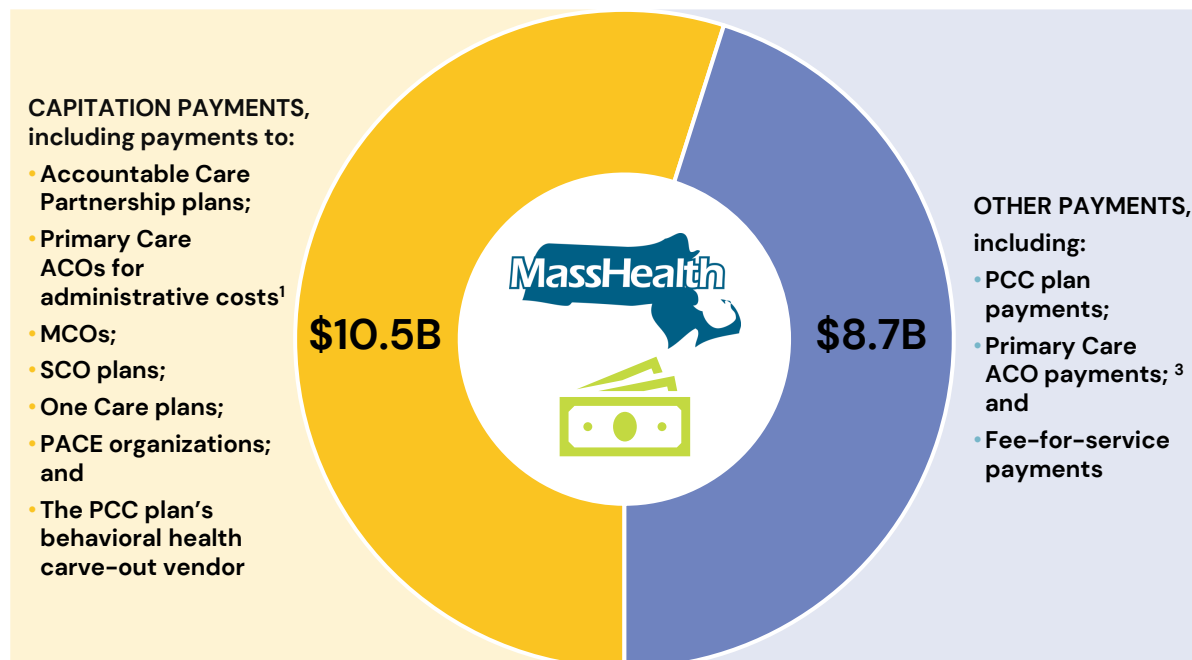


This analysis (and slides 33 and 34) use data that includes gross spending amounts, which includes both state and federal shares. This includes claim and capitation payments for medical benefits provided by MassHealth, and do not include the cost of Medicare or commercial premiums, administrative spending, supplemental provider payments or Medicaid-reimbursable services from other state agencies. Note that this slide excludes some costs that are included in the overall cost trends on slides 30 and 31.

Chart Data: MassHealth Budget Office Data Request, March 2024.

# OVER HALF OF MASSHEALTH SPENDING IN SFY 2023 WAS ON CAPITATION PAYMENTS

TOTAL MASSHEALTH SPENDING ON SERVICES = \$19.21 BILLION, SFY 2023



<sup>1</sup> 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.

<sup>2</sup> This total does not include administrative spending, spending on commercial or Medicare premiums, or supplemental payments to hospitals, accounting for the difference in total MassHealth spending compared to slide 30. This total also does not include Medicaid-reimbursable services from other state agencies.

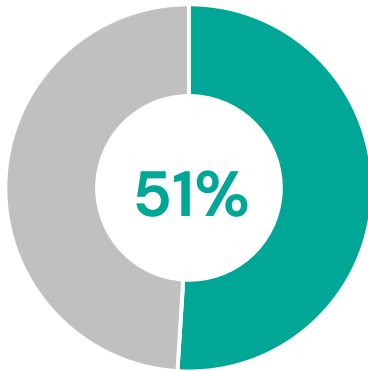
<sup>3</sup> In April 2023, MassHealth began paying for Primary Care ACO enrollees' primary care using a capitation model. The payments for primary care made after that date are included in the capitation payments category.

Chart Data: MassHealth Budget Office Data Request, March 2024.

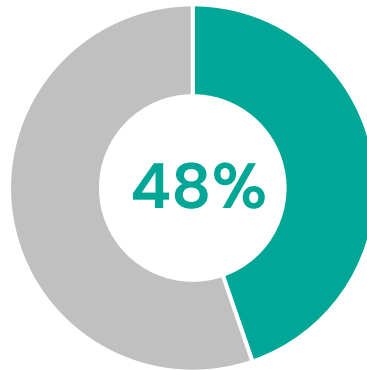
## MASSEALTH SPENDING IS IMPORTANT TO MANY TYPES OF PROVIDERS

### MASSEALTH REVENUE AS A PERCENTAGE OF PROVIDERS' TOTAL PATIENT REVENUES

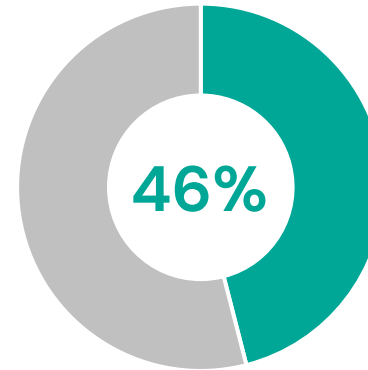
NURSING FACILITIES<sup>1</sup>  
(2020)



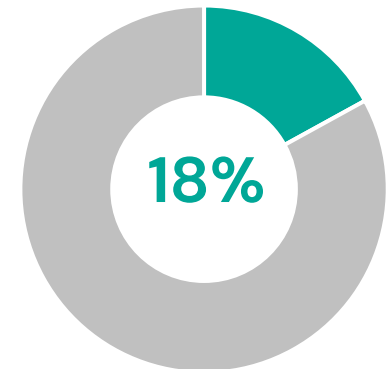
COMMUNITY HEALTH  
CENTERS (2022)



LTSS<sup>2</sup>  
(2020)



HOSPITALS  
(2022)



 = MassHealth dollars

<sup>1</sup> Medicaid revenue includes the following: Medicaid fee-for-service revenue, Medicaid Managed Care revenue, patient paid amount, Medicaid PACE and SCO revenue, and out-of-state Medicaid revenue.

<sup>2</sup> Includes spending for freestanding home health agencies primarily engaged in providing skilled nursing services in the home and other home-based supports.

Chart Data: See Sources, slide 46.



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# QUESTIONS?

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

On September 28, 2022, CMS approved Massachusetts' request for a five-year extension of its MassHealth Section 1115 Demonstration waiver. This new waiver is in effect from October 1, 2022, through December 31, 2027, and includes features that:



# MASSHEALTH IS EXPANDING COVERAGE AND SERVICES TO CERTAIN GROUPS

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On April 19, 2024, MassHealth received approval of amendments to the 1115 waiver intended to advance health equity by expanding coverage and further addressing members' health-related social needs. The amendments include:

## APPROVED 1115 DEMONSTRATION WAIVER AMENDMENT

- ✓ Certain MassHealth services for people who are incarcerated for 90 days prior to release
- ✓ Coverage continuity for certain MassHealth members
- ✓ Coverage that extends backwards in time, to three months prior to application date
- ✓ Health-related housing supports

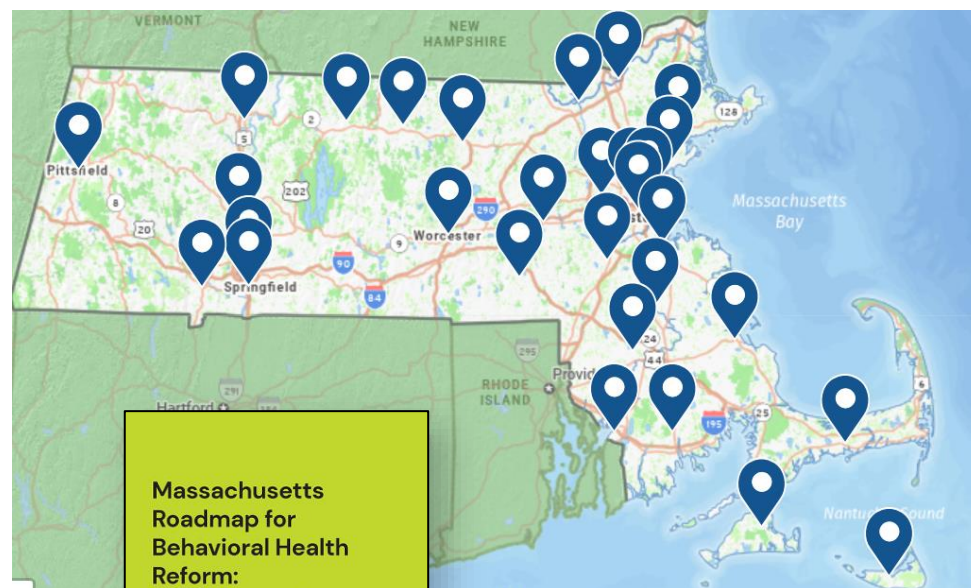
# MASSHEALTH HAS ENHANCED ITS BEHAVIORAL HEALTH BENEFITS

As the Commonwealth institutes broad reforms to the behavioral health system through the “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



**Massachusetts  
Roadmap for  
Behavioral Health  
Reform:  
Overview and  
Implementation  
Update**

AUGUST 2024



Department of  
Health Services  
Justice Court  
Public Health  
Mass Health

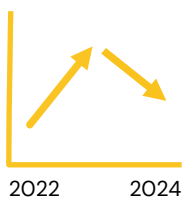
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# QUESTIONS?

# MASSHEALTH: THE BASICS

## KEY FINDINGS

### ENROLLMENT



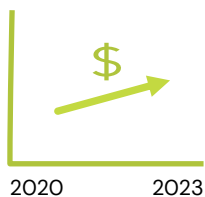
2022 2024

**Enrollment shrank 16% from April 2023 to May 2024** as COVID-19 pandemic related enrollment protections ended, but enrollment is still higher than pre-pandemic levels.

**Children, seniors, and people with disabilities** make up 55% of MassHealth members.



### SPENDING



2020 2023

**Per member costs remained steady** and total MassHealth spending increased as enrollment increased from SFY 2021 to SFY 2023.<sup>1</sup>

### 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 **nutrition and housing supports** through the Flexible Services Program and **care coordination** through Community Partners.



Massachusetts has been a national leader in shifting more long-term services and supports (LTSS) to 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 **focus on coverage continuity**, recently implementing continuous eligibility for certain members (so coverage remains in place for at least a year, even if members' circumstances change), and covering services for incarcerated individuals in **pre-release periods.**



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.



<sup>1</sup> Spending data for MassHealth's recent period of enrollment decline (April 2023–May 2024) is not yet available.

## LET'S REVIEW THE ANSWERS

---

1. **What portion of Massachusetts residents are covered by MassHealth?**
  - Nearly 1 in 10
  - Nearly 1 in 5
  - Nearly 1 in 3
  - Half
  
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

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

Katherine Howitt

[Katherine.Howitt@bcbsma.com](mailto:Katherine.Howitt@bcbsma.com)

Jessie Gottsegen

[Jessica.Gottsegen@bcbsma.com](mailto:Jessica.Gottsegen@bcbsma.com)

Download the complete *MassHealth: The Basics* chart pack at:  
<https://www.bluecrossmafoundation.org/publication/masshealth-basics-facts-and-trends-october-2024>

