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# MASSHEALTH: THE BASICS WEBINAR

June 29, 2016



FOUNDATION  
MASSACHUSETTS



MASSACHUSETTS  
MEDICAID POLICY  
INSTITUTE



**WEBINAR  
OVERVIEW**

- MassHealth Basics
- MassHealth 1115 Waiver Proposal and ACOs

**PRESENTERS**

- Massachusetts Medicaid Policy Institute
  - Kate Nordahl
- Center for Health Law and Economics,  
University of Massachusetts Medical School
  - Robert Seifert
  - Carol Gyurina

Today's slides are available at: <http://bluecrossfoundation.org/publication/updated-masshealth-basics-june-2016>

## FUNDAMENTALS OF MASSHEALTH

- MassHealth is Medicaid (Title XIX of the Social Security Act) and the State Children's Health Insurance Program (CHIP, Title XXI)
- Insurer of last resort, or as a supplement to other coverage
- Makes access to health care possible for people with some of the greatest, most complex needs
- Federally- and state-funded
- State-administered — by the Executive Office of Health and Human Services
- Covers more than one quarter of the state population
- Estimated to bring in \$9.8B in federal revenue in state fiscal year 2016

## POLICY CHALLENGES

- Spending growth was 10 percent per year in the last two years — driven by growth in enrollment
- At \$13.7 billion in SFY2015, MassHealth represents 37 percent of the state budget
- Access and capacity of mental health and substance use disorder services and integration of them with physical health care
- Future demand for long-term services and supports with aging of the baby boom population

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

## MassHealth

*Covers typical commercial benefits, plus:*

- Long-term services and supports (facility and community)\*
- Diversionary behavioral health services (to avert hospitalization)
- Dental services
- Transportation to medical appointments\*



### Typical Commercial Insurance Coverage

- Hospital services
- Physician services
- Well child visits
- Ancillary services (lab, radiology, etc.)
- Mental health/substance use treatment
- Prescription drugs
- Vision, hearing, medical equipment

\* Services are available to most but not all MassHealth members.

## MASSHEALTH ELIGIBILITY (rough guide)

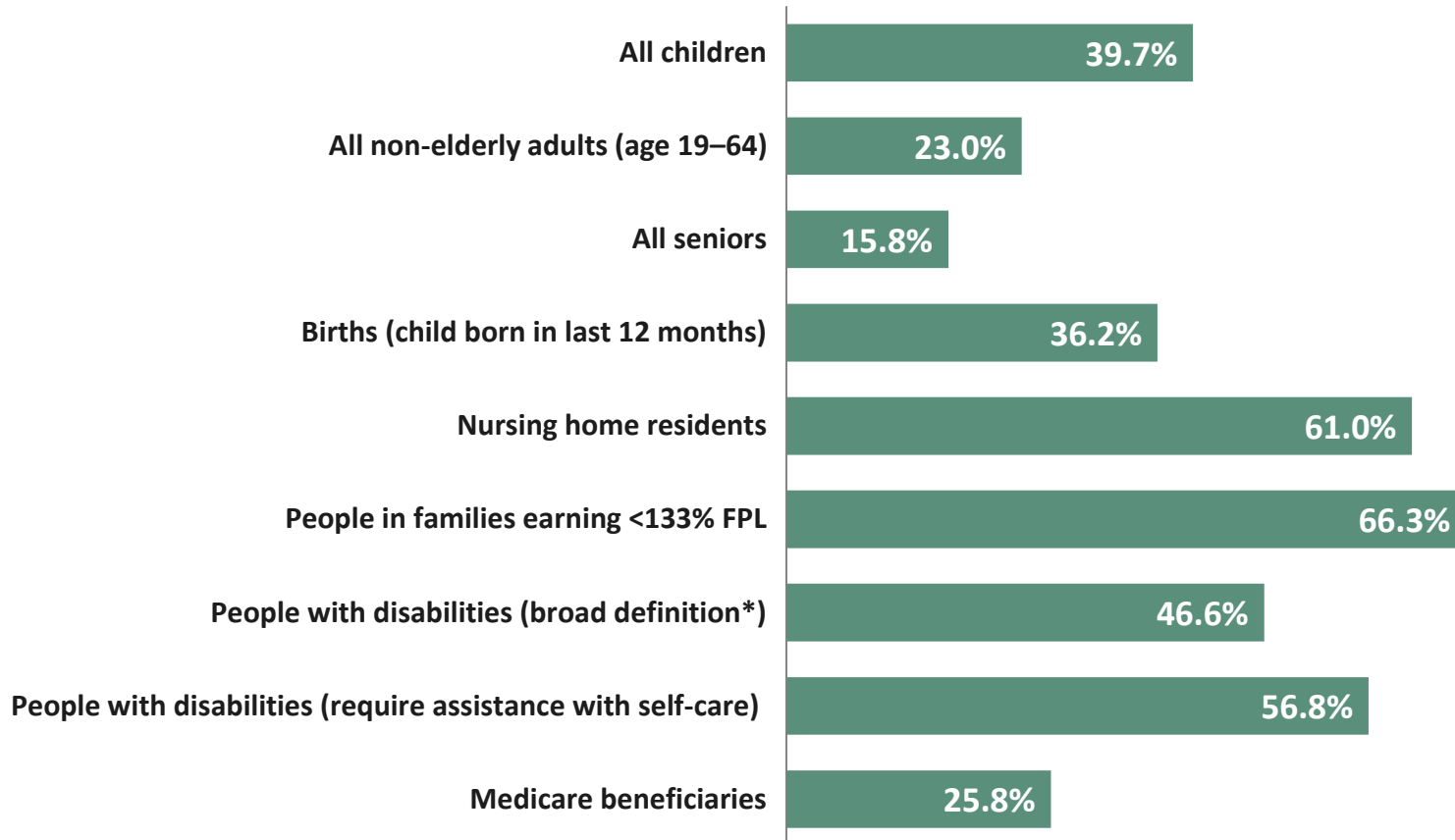
POPULATION	FAMILY INCOME LIMIT, 2016			
	% FPL*	Single	Two-person	Family of Three
Children through age 18	300%	N/A	\$48,060	\$60,480
People with disabilities (age 0-64)	No income limit; those with higher incomes pay sliding-scale premium			
Former foster care children up to age 26	No income limit			
Individuals with breast or cervical cancer	250%	\$29,700	\$40,050	\$50,400
Pregnant women and persons with HIV	200%	\$23,760	\$32,040	\$40,320
Adults ages 19 – 64 without one of the above conditions	133%	\$16,394	\$22,108	\$27,821
Elders 65+ residing in the community	100%	\$11,880 (individual); \$16,020 (couple) Plus asset test** ≤ \$2,000 individual; ≤ \$3,000 couple		
Elders 65+ residing in nursing facilities	Incomes can be higher, but must pay most income towards NF; community spouse can keep some assets**			

\* FPL = Federal Poverty Level

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

# MASSHEALTH IS IMPORTANT TO MANY POPULATION GROUPS

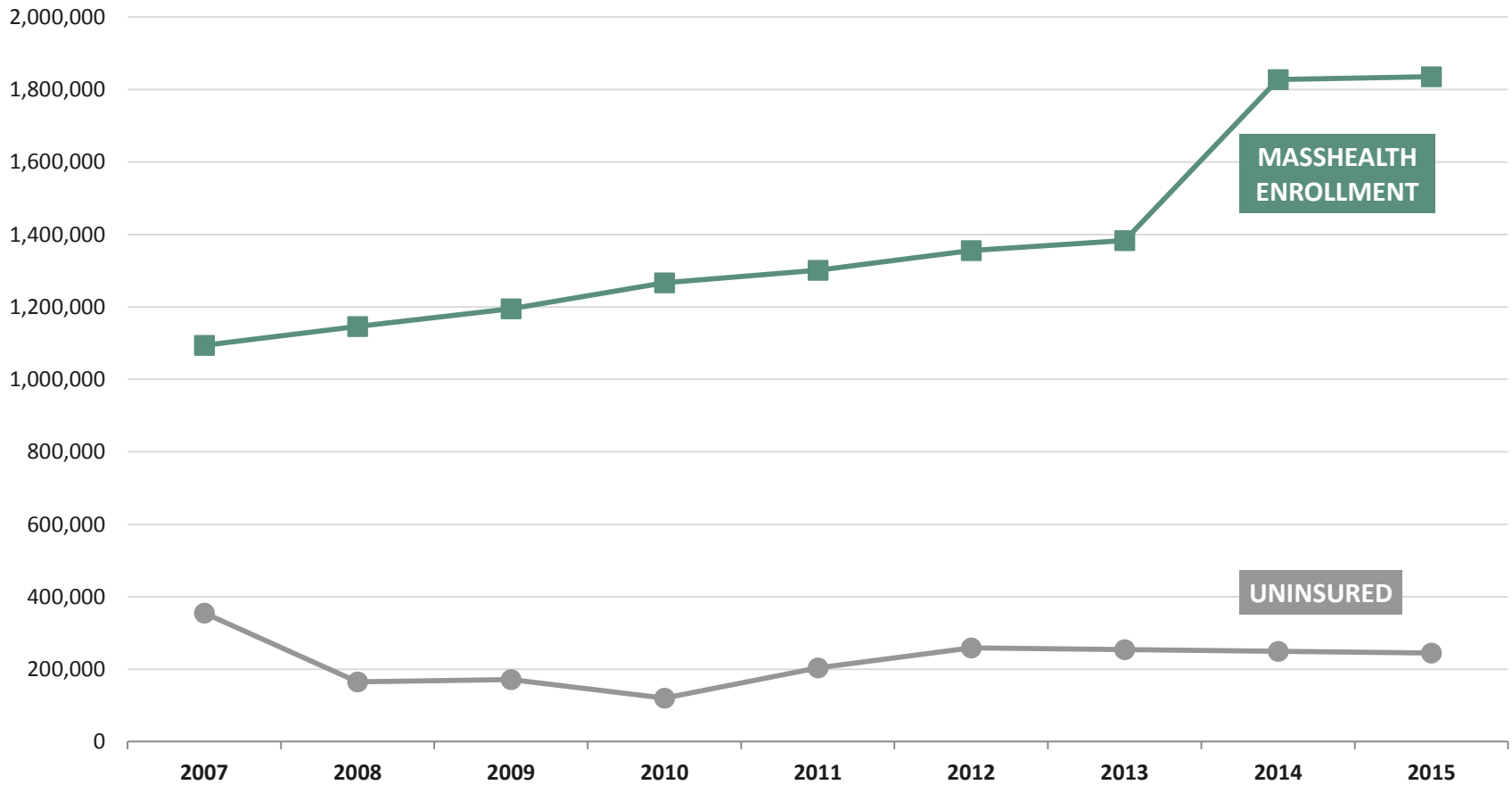
## PERCENT OF SELECT MASSACHUSETTS POPULATIONS COVERED BY MASSHEALTH, 2014



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

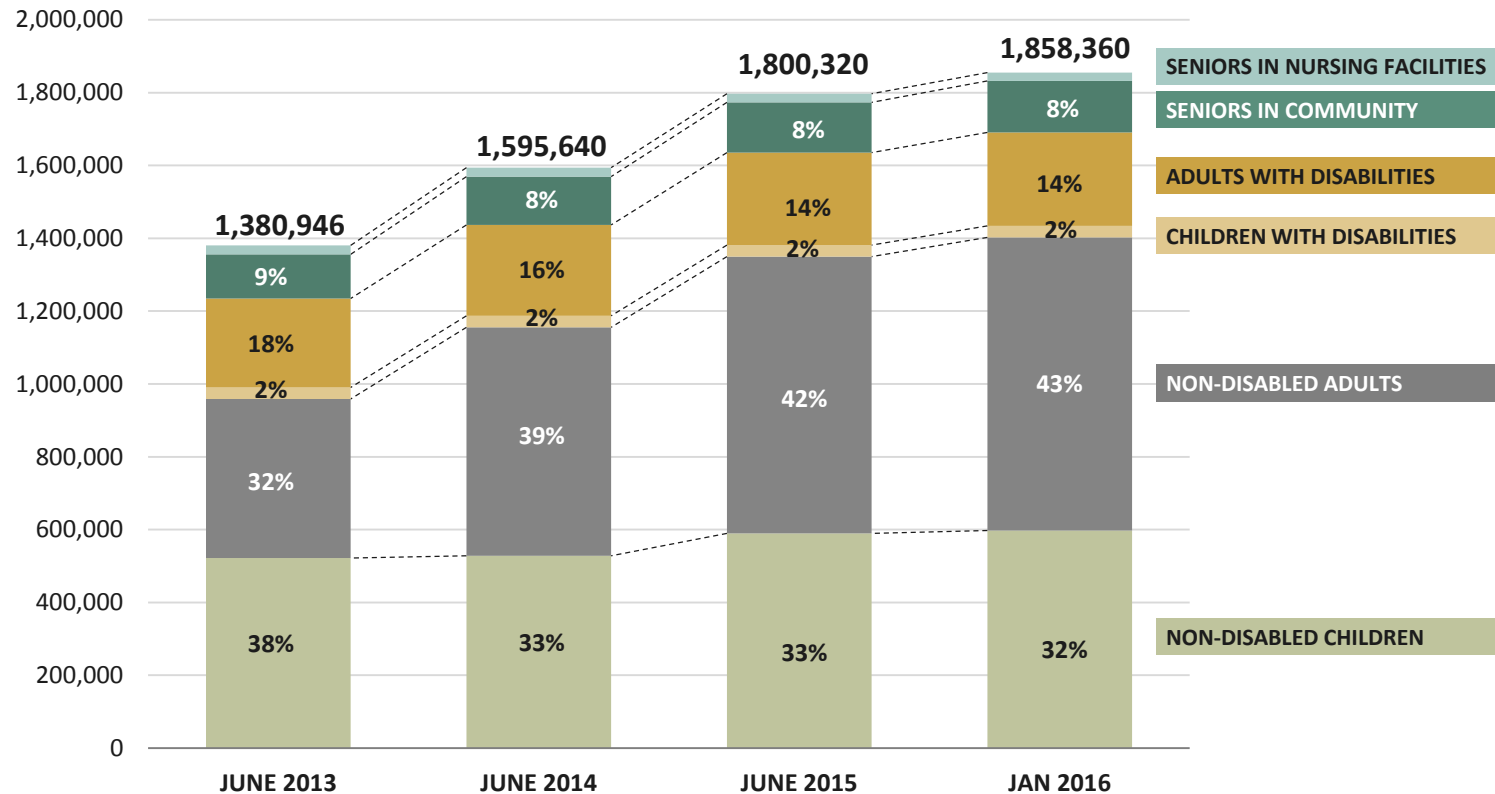
# MASSHEALTH ENROLLMENT CONTINUED TO GROW AS THE NUMBER OF UNINSURED LEVELLED OFF

TRENDS IN MASSHEALTH ENROLLMENT AND UNINSURED, 2007–2015



# ACA IMPLEMENTATION HAS DRIVEN RECENT ENROLLMENT GROWTH, SHIFTING THE DISTRIBUTION OF MEMBERS TOWARD NON-DISABLED ADULTS

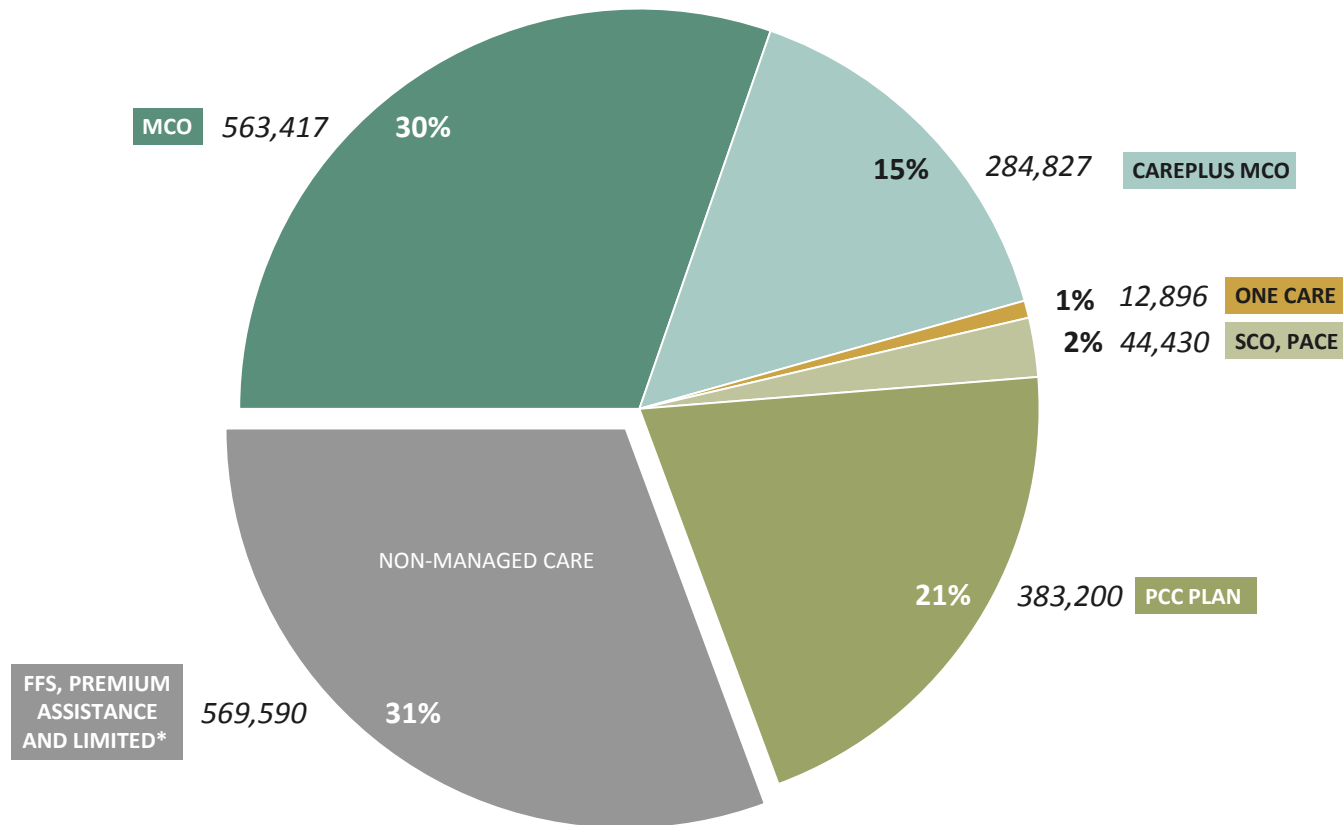
**DISTRIBUTION OF MASSEALTH ENROLLMENT, 2013-2016  
(NUMBER OF MEMBERS)**





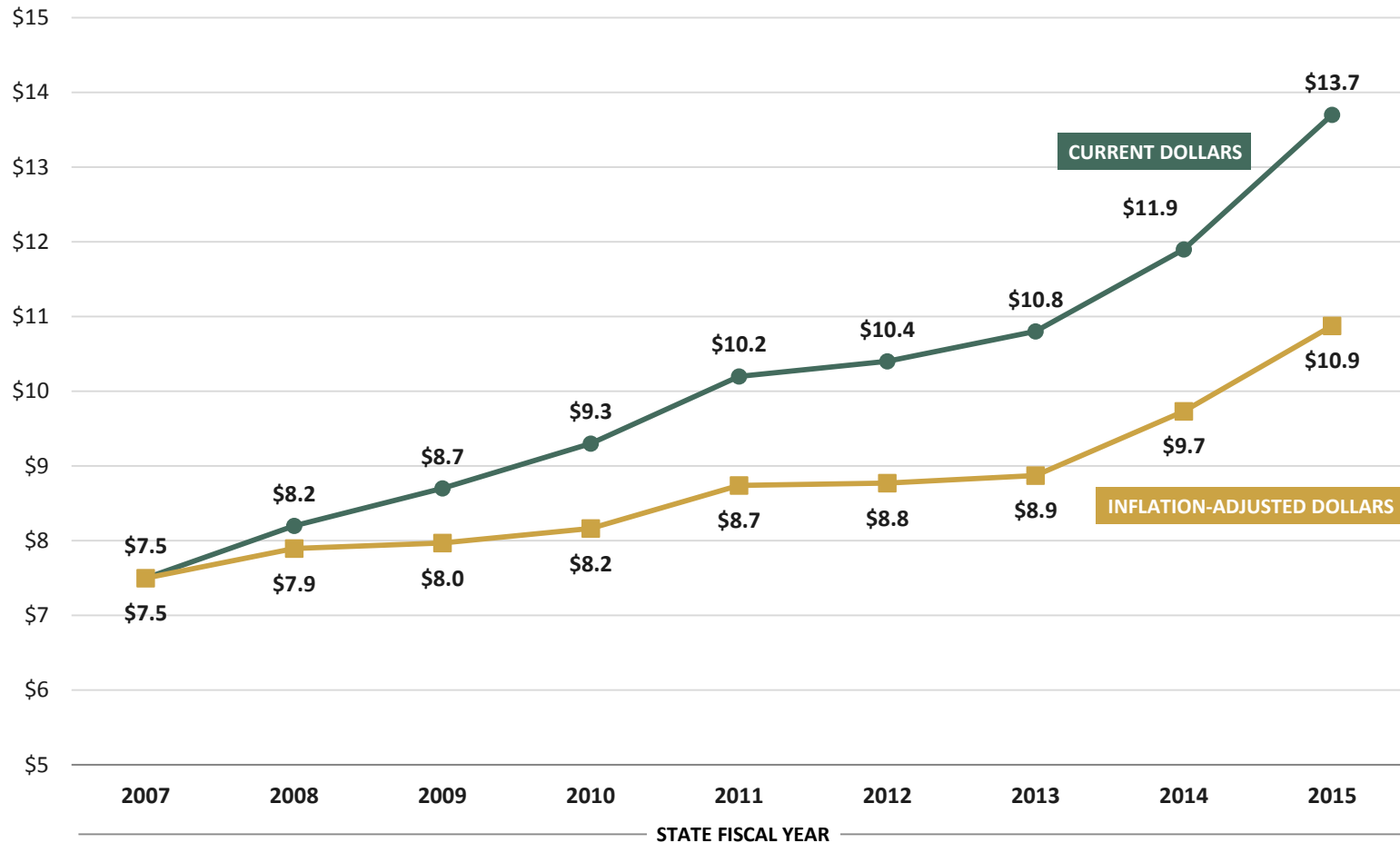
# NEARLY 70 PERCENT OF MASSHEALTH MEMBERS ARE ENROLLED IN MANAGED CARE

MASSHEALTH ENROLLMENT BY PAYER TYPE, JANUARY 2016



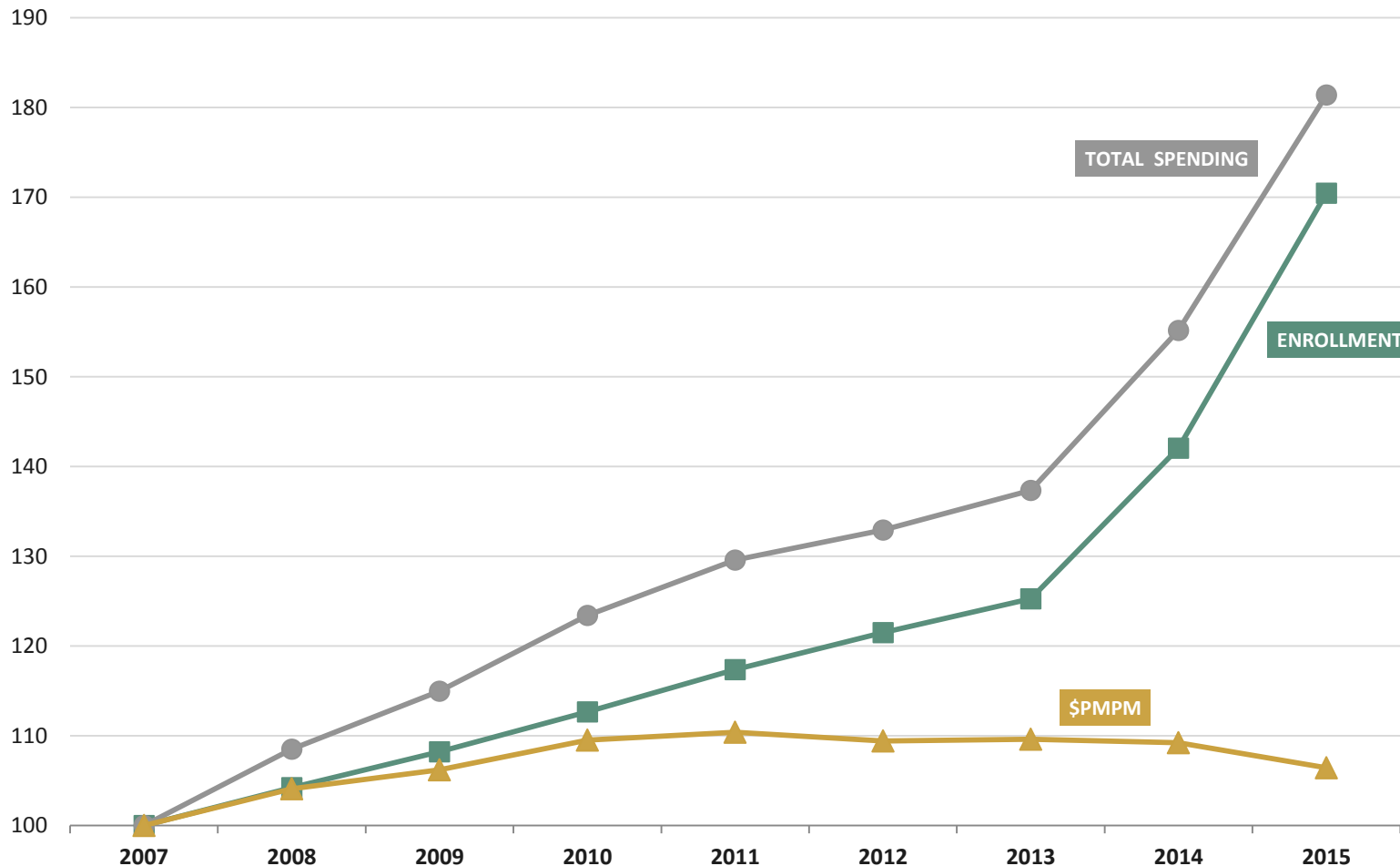
## NOMINAL MASSHEALTH SPENDING HAS GROWN BY MORE THAN 80 PERCENT SINCE 2007; WHEN ADJUSTED FOR MEDICAL COST INFLATION, GROWTH WAS GRADUAL UNTIL 2014

**MASHEALTH SPENDING, SFY2007–2015**  
(BILLIONS OF DOLLARS)



# ENROLLMENT, NOT PER MEMBER COST, HAS DRIVEN GROWTH IN MASSHEALTH SPENDING

GROWTH IN MASSHEALTH TOTAL SPENDING, ENROLLMENT AND PER MEMBER PER MONTH (PMPM) COSTS  
(YEAR 2007 = 100)



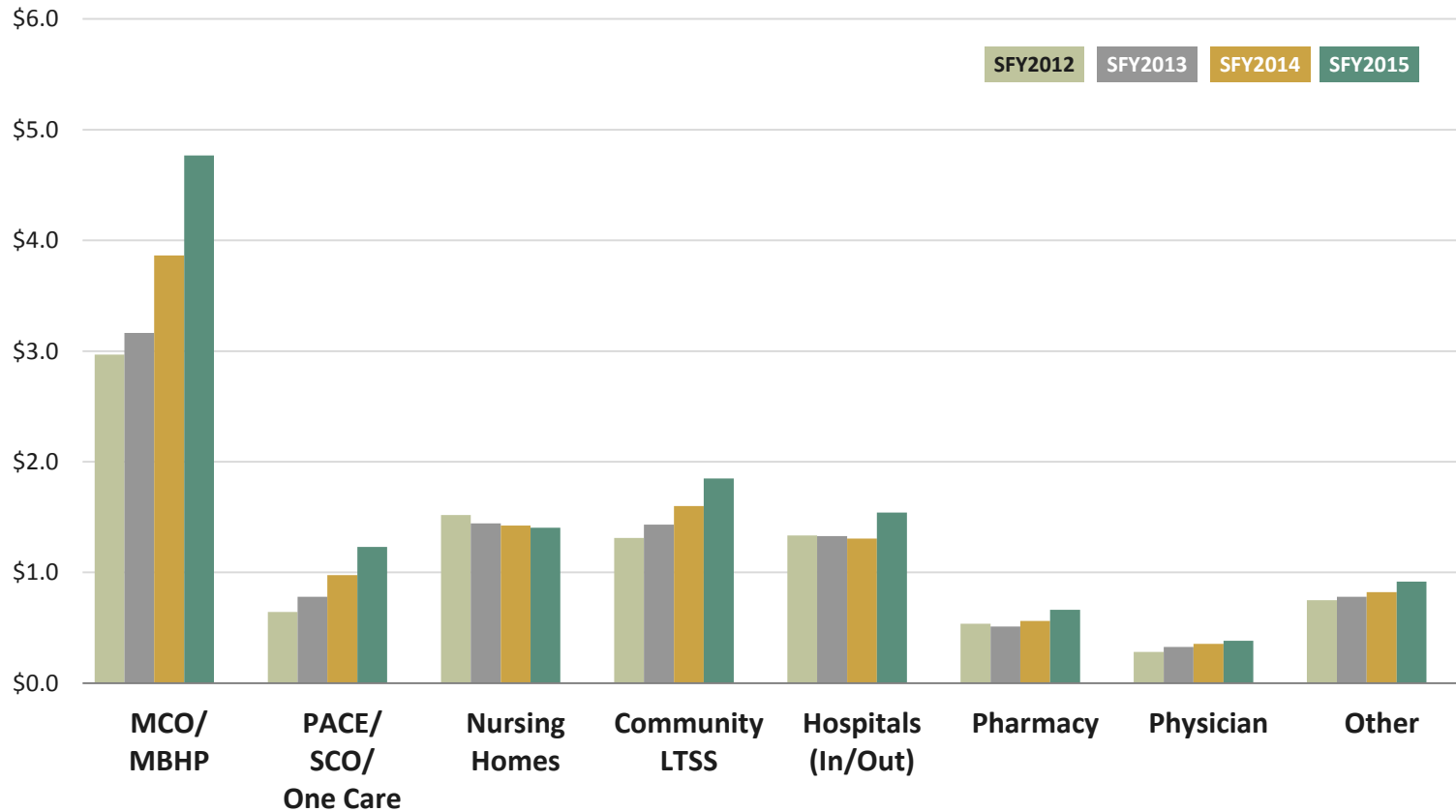
# SPENDING ON MASSHEALTH REPRESENTS OVER 35 PERCENT OF THE STATE BUDGET

**MASHEALTH SPENDING, SFY2007–2015**  
(BILLIONS OF DOLLARS)



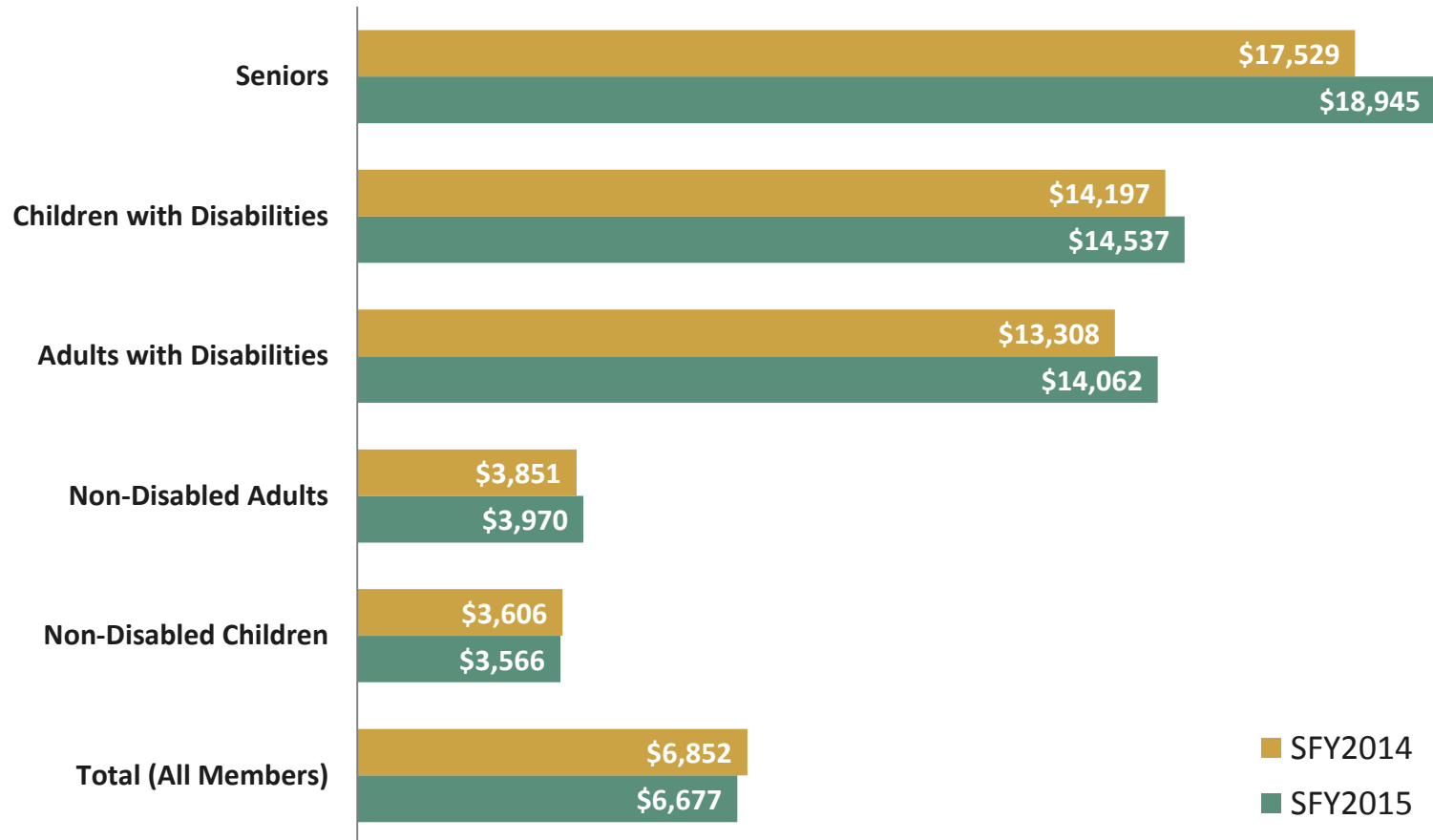
# TRENDS IN MASSHEALTH SPENDING BY SERVICE TYPE

MASSEALTH SPENDING TRENDS BY CATEGORY OF SERVICE BETWEEN STATE FISCAL YEARS 2012–2015  
(BILLIONS OF DOLLARS)



# MASSHEALTH SPENDS MORE PER ENROLLEE FOR SENIORS AND THE DISABLED

MASSHEALTH PAYMENTS PER ENROLLEE PER YEAR, SFY2014–SFY2015



## MASSACHUSETTS WAIVERS

- Two types of waivers: 1115 and 1915c, which allow states to waive certain parts of federal Medicaid Law
- 1915c Home & Community Based Services Waivers
  - Provide long-term services and supports in a home or community settings to members with disabilities who would otherwise qualify for institutional level of care
  - Multiple waivers covering different groups such as frail elders, adults with intellectual disabilities, children with autism and others
- Section 1115 Research and Demonstration Waiver since 1997
  - Vehicle for reform
  - Expanded eligibility to those with higher incomes
  - Programmatic innovations
  - Supplemental financial support for safety net providers

# MASSHEALTH'S 1115 WAIVER EXTENSION REQUEST

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## GOALS

- Enact payment and delivery system reforms that promote member-driven, integrated, coordinated care and hold providers accountable for the quality and total cost of care
- Improve integration among physical health, behavioral health, long-term services and supports, and health-related social services
- Maintain near-universal coverage
- Sustainably support safety net providers\* to ensure continued access to care for Medicaid and low-income uninsured individuals
- Address the opioid addiction crisis by expanding access to a broad spectrum of recovery-oriented substance use disorder services

\* Safety net providers are defined as hospital systems that serve high levels of MassHealth members, uninsured people, homeless people, and others who face various social and linguistic barriers.



## MASSHEALTH'S 1115 WAIVER EXTENSION REQUEST (cont.)

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### KEY FEATURES

- MassHealth Accountable Care Organizations
- Behavioral Health Community Partners
- Long-Term Services and Supports Community Partners
- Delivery System Reform Incentive Program (DSRIP)
- Expansion of Substance Use Disorder Treatment Services

## PROJECTED TIMELINE FOR 1115 WAIVER

State 30-day public comment period	June 15 – July 17, 2016
Formal submission to CMS	Soon thereafter
Federal 30-day comment period	Late July – Late August
Earliest CMS can approve waiver	September 2
Solicitation for full-model ACOs issued	Summer 2016
Solicitation for Community Partners issued	September 2016
ACO Pilot launches	December 2016
DSRIP funding begins	July 2017
Community Partners launch	July 2017
Full ACO models launch	October 2017

# REQUEST FOR PUBLIC COMMENTS TO DRAFT 1115 WAIVER EXTENSION REQUEST

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- MassHealth has released a draft of its 1115 waiver extension request for public comment:  
<http://www.mass.gov/eohhs/gov/departments/masshealth/masshealth-and-health-care-reform.html>
- Comments are due to the state by July 17, 2016
  - By email to:  
[MassHealth.Innovations@state.ma.us](mailto:MassHealth.Innovations@state.ma.us) and include “Comments on Demonstration Extension Request” in the subject line
  - By mail to:  
EOHHS Office of Medicaid  
Attn: 1115 Demonstration Comments  
One Ashburton Place, 11<sup>th</sup> Floor  
Boston, MA 02108

## CONTACT INFORMATION

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Download the complete *MassHealth: The Basics* chart pack at  
[http://bluecrossfoundation.org/publication/  
updated-masshealth-basics-june-2016](http://bluecrossfoundation.org/publication/updated-masshealth-basics-june-2016)