

**Federal Budget Neutrality Summary**

**Room Under the Budget Neutrality Cap \$ 9,688,717,516**

State Fiscal Year	Total			
	Date of Service Budget Neutrality Ceiling	CMS 64 Waiver Date of Service Expenditures	SNCP Expenditures	Variance
<b>Third Waiver Extension Period</b>				
SFY09 Actual	\$ 6,719,115,706	\$ 4,802,766,814		\$ 1,916,348,893
SFY10 Actual	\$ 7,733,881,285	\$ 5,348,999,371		\$ 2,384,881,914
SFY11 Actual	\$ 8,722,172,705	\$ 6,050,520,879		\$ 2,671,651,827
SFY09-11 SNCP			\$ 4,750,359,454	\$ (4,750,359,454)
	<b>\$ 23,175,169,696</b>	<b>\$ 16,202,287,064</b>	<b>\$ 4,750,359,454</b>	<b>\$ 2,222,523,179</b>
<b>Fourth Waiver Extension Period</b>				
SFY12 Actual	\$ 9,292,955,420	\$ 6,086,397,724		\$ 3,206,557,696
SFY13 Projected	\$ 10,060,717,143	\$ 6,411,728,166		\$ 3,648,988,978
SFY14 Projected	\$ 11,788,515,445	\$ 6,674,539,206		\$ 5,113,976,240
SFY12-14 SNCP			\$ 4,503,328,576	\$ (4,503,328,576)
	<b>\$ 31,142,188,008</b>	<b>\$ 19,172,665,095</b>	<b>\$ 4,503,328,576</b>	<b>\$ 7,466,194,337</b>
<b>Total</b>	<b>\$ 54,317,357,705</b>	<b>\$ 35,374,952,159</b>	<b>\$ 9,253,688,030</b>	<b>\$ 9,688,717,516</b>

Note:  
Beginning with SFY 2009, CMS and the Commonwealth have agreed to craft the budget neutrality agreement from zero, with no deficit or savings carried over to SFY 2009 or subsequent renewal periods. Accordingly, prior period calculations have been omitted from this summary.

**Federal Budget Neutrality - Cap**

<b>TOTAL EXPENDITURES WITH DSH</b>	<b>\$ 6,719,115,706</b>	<b>\$ 7,733,881,285</b>	<b>\$ 8,722,172,705</b>	<b>\$ 9,292,955,420</b>	<b>\$ 10,060,717,143</b>	<b>\$ 11,788,515,445</b>	
	DRAFT - for policy discussion only						
	<b>Total WY12-SFY09</b>	<b>Total WY13-SFY10</b>	<b>Total WY14-SFY11</b>	<b>Total WY15-SFY12</b>	<b>Total WY16-SFY13</b>	<b>Q1 &amp; Q2 Total WY17-SFY14</b>	<b>Q3 &amp; Q4 Total WY17-SFY14</b>
<b>MEMBER MONTHS</b>							
<u>Base Populations Member Months (1)</u>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>
Families	7,235,254	7,554,440	7,813,205	7,996,127	8,236,011	4,241,546	4,241,546
Disabled	2,394,643	2,644,964	2,701,149	2,748,863	2,831,329	1,458,134	1,469,501
MCB	1,630	-	-	-	-	-	-
<b>Total Base</b>	<b>9,631,528</b>	<b>10,199,403</b>	<b>10,514,354</b>	<b>10,744,990</b>	<b>11,067,340</b>	<b>5,699,680</b>	<b>5,711,046</b>
<u>1902(r)(2) Expansion Member Months (2)</u>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>actual</i>	<i>projected</i>	<i>projected</i>	<i>projected</i>
Kids	153,654	112,083	113,064	111,667	115,017	59,234	59,234
Disabled	164,093	170,776	178,306	183,098	188,590	97,124	97,124
Breast and Cervical Cancer Treatment Program	3,597	4,154	4,500	4,499	4,634	2,387	1,352
<b>Total 1902(r)(2)</b>	<b>321,344</b>	<b>287,013</b>	<b>295,870</b>	<b>299,264</b>	<b>308,242</b>	<b>158,744</b>	<b>157,709</b>
<u>Benchmark 1</u>							<i>projected</i>
19 and 20 year olds							8,860
BCCTP ≤133% FPL							1,035
Essential 19+20							46,651
DMH (Basic)							110,166
<u>Benchmark 2</u>							1,845,905
<b>Total Waiver Member Months</b>	<b>9,952,872</b>	<b>10,486,416</b>	<b>10,810,224</b>	<b>11,044,254</b>	<b>11,375,581</b>	<b>5,858,424</b>	<b>7,881,373</b>
<b>PER MEMBER PER MONTH COSTS (PMPM)</b>							
<u>Base Population PMPM</u>							
Families	\$ 466.84	\$ 499.05	\$ 533.73	\$ 562.02	\$ 591.81	\$ 623.17	\$ 623.17
Disabled	\$ 1,011.95	\$ 1,081.37	\$ 1,155.55	\$ 1,224.88	\$ 1,298.38	\$ 1,376.28	\$ 1,376.28
MCB							
<u>1902(r)(2) Population PMPM</u>							
Kids	\$ 382.45	\$ 407.87	\$ 436.22	\$ 457.59	\$ 480.02	\$ 503.54	\$ 503.54
Disabled	\$ 791.46	\$ 846.68	\$ 904.76	\$ 959.04	\$ 1,016.59	\$ 1,077.58	\$ 1,077.58
Breast and Cervical Cancer Treatment Program	\$ 3,052.78	\$ 3,265.69	\$ 3,489.72	\$ 3,674.67	\$ 3,869.43	\$ 4,074.51	\$ 4,074.51
<u>Base Childless Adults (Benchmark 1)</u>							
19 and 20 year olds							\$ 495.78
BCCTP ≤133% FPL							\$ 4,074.51
Essential 19+20							\$ 495.78
DMH (Basic)							\$ 1,095.00
<u>Benchmark 2/"CarePlus"</u>							\$ 552.58
<b>TOTAL EXPENDITURES ( Member Months x PMPM)</b>							
<u>Base Population Expenditures</u>							
Families	\$ 3,377,704,449	\$ 3,770,018,249	\$ 4,170,145,655	\$ 4,493,983,310	\$ 4,874,153,572	\$ 2,643,203,959	\$ 2,643,203,959
Disabled/MCB	\$ 2,424,912,570	\$ 2,860,184,262	\$ 3,121,317,854	\$ 3,367,027,217	\$ 3,676,140,701	\$ 2,006,801,126	\$ 2,022,444,508
<u>1902(r)(2) Population Expenditures</u>							
Kids	\$ 58,764,675	\$ 45,715,458	\$ 49,320,687	\$ 51,097,790	\$ 55,210,559	\$ 29,826,618	\$ 29,826,618
Disabled	\$ 129,873,580	\$ 144,591,657	\$ 161,323,386	\$ 175,597,829	\$ 191,719,143	\$ 104,658,956	\$ 104,658,956
Breast and Cervical Cancer Treatment Program	\$ 10,980,841	\$ 13,565,267	\$ 15,704,470	\$ 16,532,785	\$ 17,931,305	\$ 9,724,057	\$ 5,506,940
<u>Benchmark 1</u>							
19 and 20 year olds							\$ 4,392,611
BCCTP ≤133% FPL							\$ 4,217,118
Essential 19+20							\$ 23,128,743
DMH (Basic)							\$ 120,631,770
<u>Benchmark 2</u>							\$ 1,020,010,185
<b>Total Base + 1902 (r)(2) Expenditures + Benchmarks</b>	<b>\$ 6,002,236,116</b>	<b>\$ 6,834,074,893</b>	<b>\$ 7,517,812,053</b>	<b>\$ 8,104,238,931</b>	<b>\$ 8,815,155,280</b>	<b>\$ 4,794,214,717</b>	<b>\$ 5,978,021,407</b>
<u>Hypothetical Population Expenditures</u>							
CommonHealth hypothetical	\$ 62,630,342	\$ 70,443,766	\$ 76,654,103	\$ 78,375,488	\$ 80,726,753	\$ 40,363,376.32	\$ 40,363,376.32
CommCare Parents hypothetical	\$ 32,544,698	\$ 37,677,624	\$ 45,491,820	\$ 43,705,904	\$ 47,402,987	\$ 25,706,402.57	
Essential 19-20 hypothetical	\$ 16,925,270	\$ 25,533,171	\$ 24,472,291	\$ 26,153,806	\$ 28,366,157	\$ 15,382,824.90	
CommCare 19-20 hypothetical	\$ -	\$ 42,673,532	\$ 38,541,368	\$ 28,367,948	\$ 30,767,593	\$ 16,685,111.69	
CommCare <133% FPL hypothetical	N/A	\$ 97,101,247	\$ 403,658,851	\$ 387,422,325	\$ 420,194,379	\$ 227,869,311.02	
<b>Total Base + 1902 (r)(2) + hypotheticals</b>	<b>\$ 6,114,336,426</b>	<b>\$ 7,107,504,233</b>	<b>\$ 8,106,630,486</b>	<b>\$ 8,668,264,402</b>	<b>\$ 9,422,613,148</b>	<b>\$ 5,120,221,743</b>	<b>\$ 6,018,384,783</b>

<b>DSH</b>	\$	604,779,280	\$	626,377,052	\$	615,542,220	\$	624,691,018	\$	638,103,995	\$	649,908,919
<b>TOTAL EXPENDITURES WITH DSH</b>	\$	6,719,115,706	\$	7,733,881,285	\$	8,722,172,705	\$	9,292,955,420	\$	10,060,717,143	\$	11,788,515,445

Note:  
 Beginning with SFY 2009, CMS and the Commonwealth have agreed to craft the budget neutrality agreement from zero, with no deficit or savings carried over to SFY 2009 or subsequent renewal periods. Accordingly, prior period without waiver calculations have been omitted here.

# With Waiver Non-SNCP Expenditures

Based on WY 15 expenditures reported on CMS-64.9W as of Period Ended 12/31/2012

		<<<based on actuals				forecast>>>	
MEGs		WY12-SFY2009	WY13-SFY2010	WY14-SFY2011	WY15-SFY2012	WY16-SFY2013	Q1&Q2 WY17-SFY2014
(1)	1902 (r) (2) Children	\$ 30,634,105	\$ 45,051,108	\$ (18,025,593)	\$ 55,424,177	\$ 56,177,946	\$ 28,470,983
(2)	1902 (r) (2) Disabled	\$ 58,111,483	\$ 52,805,543	\$ 53,562,753	\$ 48,465,878	\$ 48,465,878	\$ 24,232,939
(3)	Base Disabled	\$ 1,891,627,733	\$ 1,936,009,313	\$ 2,284,206,080	\$ 2,091,501,198	\$ 2,174,533,796	\$ 1,130,431,394
(4)	Base Families	\$ 2,200,237,153	\$ 2,421,559,036	\$ 2,353,511,149	\$ 2,490,051,424	\$ 2,598,368,661	\$ 1,355,698,849
(5)	E - Family Assistance	\$ 6,864,268	\$ 11,672,531	\$ 13,420,464	\$ -	\$ -	\$ -
(6)	E - HIV/FA	\$ 19,793,685	\$ 23,780,381	\$ 25,097,375	\$ 24,435,337	\$ 26,311,971	\$ 14,166,365
(7)	Basic	\$ 122,869,357	\$ 129,690,702	\$ 157,192,283	\$ 165,880,650	\$ 183,729,408	\$ 101,749,346
(8)	BCCTP	\$ 4,596,587	\$ 6,043,825	\$ 4,762,375	\$ 3,891,336	\$ 3,787,437	\$ 1,843,156
(9)	CommonHealth (hypothetical)	\$ 87,507,322	\$ 73,192,418	\$ 79,678,838	\$ 78,375,488	\$ 78,375,488	\$ 39,187,744
(10)	Essential	\$ 328,079,510	\$ 381,820,935	\$ 409,469,138	\$ 472,189,022	\$ 533,479,157	\$ 301,362,376
(11)	Insurance Partnership (IRP)	\$ 38,048,147	\$ 31,098,635	\$ 26,158,629	\$ 22,079,592	\$ 18,418,796	\$ 7,682,480
(12)	Medical Savings Plan (MSP)	\$ 62,815,797	\$ 133,238,682	\$ 148,855,740	\$ 140,019,502	\$ 142,721,878	\$ 72,738,205
(13)	Mental Health Special Program for Youth	\$ 4,354,267					
Base Childless Adults (Benchmark 1)							
19 and 20 year olds							
Basic							
Essential 19+20							
BCCTP ≤133% FPL							
<b>subtotal</b>							
MassHealth CarePlus (Benchmark 2)							
21 yr olds+							
E - HIV/FA ≤133% FPL							
Essential							
Insurance Partnership (IRP) ≤133% FPL							
Medical Savings Plan (MSP) ≤133% FPL							
<b>subtotal</b>							
<b>Prelim Total Expenditures</b>		<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>	<b>\$ 5,836,004,259</b>	<b>\$ 3,062,181,012</b>
CommCare Parents hypothetical		\$ 32,544,698	\$ 37,677,624	\$ 45,491,820	\$ 43,705,904	\$ 47,402,987	\$ 25,706,403
CommCare 19-20 hypothetical			\$ 42,673,532	\$ 38,541,368	\$ 28,367,948	\$ 30,767,593	\$ 16,685,112
CommCare <133 FPL hypothetical			\$ 97,101,247	\$ 404,126,169	\$ 387,422,325	\$ 420,194,379	\$ 227,869,311
Essential 19-20 hypothetical		\$ 16,925,270	\$ 26,209,313	\$ 24,472,291	\$ 26,153,806	\$ 28,366,157	\$ 15,382,825
Medical Homes					\$ 4,034,137	\$ 7,900,000	\$ 7,900,000
Pediatric Asthma						\$ 126,635	\$ 139,298
Early Intervention Specialty Services					\$ 4,400,000	\$ 12,600,000	\$ 13,860,000
1915(c) adjustment		\$ (102,242,569)	\$ (100,625,454)				
<b>Total Projected Expenditures (non-SNCP)</b>		<b>\$ 4,802,766,814</b>	<b>\$ 5,348,999,371</b>	<b>\$ 6,050,520,879</b>	<b>\$ 6,086,397,724</b>	<b>\$ 6,411,728,166</b>	<b>\$ 3,385,106,785</b>
<b>Schedule C Total</b>		<b>\$ 6,510,804,613</b>	<b>\$ 6,704,349,909</b>	<b>\$ 7,511,633,455</b>	<b>\$ 7,401,987,934</b>		
Exclude Sch. C SNCP expenditures		\$ (1,655,265,199)	\$ (1,318,612,021)	\$ (1,531,076,687)	\$ (1,393,884,056)		
Exclude Sch. C CC Hypo expenditures		\$ -	\$ (139,774,779)	\$ (442,667,537)	\$ (415,790,274)		
Exclude Essential 19-20 Hypo expend.		\$ (16,925,270)	\$ (26,209,313)	\$ (24,472,291)	\$ (26,153,806)		
<b>Subtotal: Non-SNCP non-Hypo Sch. C</b>		<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>		
Completion (claims run out)						\$ 1,883,031,860	
Actual / Estimated P4P			\$ 35,282,313	\$ 11,781,859	\$ 55,563,168		
<b>Total expenditures not yet reported on Schedule C</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,883,031,860</b>	
<b>Total Schedule C with Adjustments</b>		<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 7,449,191,657</b>		
<b>Total from above (line 19)</b>		<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>		
Tie		\$ -	\$ -	\$ -	\$ 1,883,031,860		

## ACA Changes (effective 2014)

- (6) E-HIV/FA is separated into ≤133% (MassHealth Benchmark 2) and >134-200% (E-HIV/FA)
- (7) MassHealth Basic will become MassHealth Benchmark 2
- (8) BCCTP is separated into ≤133% (MassHealth Standard/Benchmark 1) and >134-250% (BCCTP)
- (10) MassHealth Essential will become MassHealth Benchmark 2
- (11) IP is separated into ≤133% (MassHealth Benchmark 2) and >133-300% (QHP Wrap)
- (12) MSP is separated into ≤133% (MassHealth Benchmark 2), >133-300 (QHP Wrap), and 301-400 (QHP)

<b>Q3&amp;Q4 WY17-SFY2014</b>	
\$	28,939,454
\$	24,232,939
\$	1,134,467,731
\$	1,355,698,849
\$	-
\$	5,581,876
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\$	862,597
\$	39,187,744
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\$	3,225,500
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\$	7,467,598
\$	107,540,234
\$	15,382,825
\$	980,559
<b>\$</b>	<b>131,371,216</b>
\$	224,345,322
\$	8,584,489
\$	324,433,435
\$	4,456,980
\$	4,044,288
<b>\$</b>	<b>565,864,514</b>
<b>\$</b>	<b>3,289,432,420</b>
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<b>\$</b>	<b>3,289,432,420</b>

# With Waiver Non-SNCP Expenditures

Based on WY 15 expenditures reported on CMS-64.9W as of Period Ended 12/31/2012

		<<<based on actuals   forecast>>>					
MEGs		WY12-SFY2009	WY13-SFY2010	WY14-SFY2011	WY15-SFY2012	WY16-SFY2013	Q1&Q2 WY17-SFY2014
(1)	1902 (r) (2) Children	\$ 30,634,105	\$ 45,051,108	\$ (18,025,593)	\$ 55,424,177	\$ 56,177,946	\$ 28,470,983
(2)	1902 (r) (2) Disabled	\$ 58,111,483	\$ 52,805,543	\$ 53,562,753	\$ 48,465,878	\$ 48,465,878	\$ 24,232,939
(3)	Base Disabled	\$ 1,891,627,733	\$ 1,936,009,313	\$ 2,284,206,080	\$ 2,091,501,198	\$ 2,174,533,796	\$ 1,130,431,394
(4)	Base Families	\$ 2,200,237,153	\$ 2,421,559,036	\$ 2,353,511,149	\$ 2,490,051,424	\$ 2,598,368,661	\$ 1,355,698,849
(5)	E - Family Assistance	\$ 6,864,268	\$ 11,672,531	\$ 13,420,464	\$ -	\$ -	\$ -
(6)	E - HIV/FA	\$ 19,793,685	\$ 23,780,381	\$ 25,097,375	\$ 24,435,337	\$ 26,311,971	\$ 14,166,365
(7)	Basic	\$ 122,869,357	\$ 129,690,702	\$ 157,192,283	\$ 165,880,650	\$ 183,729,408	\$ 101,749,346
(8)	BCCTP	\$ 4,596,587	\$ 6,043,825	\$ 4,762,375	\$ 3,891,336	\$ 3,787,437	\$ 1,843,156
(9)	CommonHealth (hypothetical)	\$ 87,507,322	\$ 73,192,418	\$ 79,678,838	\$ 78,375,488	\$ 78,375,488	\$ 39,187,744
(10)	Essential	\$ 328,079,510	\$ 381,820,935	\$ 409,469,138	\$ 472,189,022	\$ 533,479,157	\$ 301,362,376
(11)	Insurance Partnership (IRP)	\$ 38,048,147	\$ 31,098,635	\$ 26,158,629	\$ 22,079,592	\$ 18,418,796	\$ 7,682,480
(12)	Medical Savings Plan (MSP)	\$ 62,815,797	\$ 133,238,682	\$ 148,855,740	\$ 140,019,502	\$ 142,721,878	\$ 72,738,205
(13)	Mental Health Special Program for Youth	\$ 4,354,267					
	19 and 20 year olds Basic Essential 19+20 BCCTP ≤133% FPL <b>subtotal</b>						
	Base Childless Adults (Benchmark 1)						
	21 yr olds+ E - HIV/FA ≤133% FPL Essential Insurance Partnership (IRP) ≤133% FPL Medical Savings Plan (MSP) ≤133% FPL <b>subtotal</b>						
	MassHealth CarePlus (Benchmark 2)						
	<b>Prelim Total Expenditures</b>	<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>	<b>\$ 5,836,004,259</b>	<b>\$ 3,062,181,012</b>
	CommCare Parents hypothetical	\$ 32,544,698	\$ 37,677,624	\$ 45,491,820	\$ 43,705,904	\$ 47,402,987	\$ 25,706,403
	CommCare 19-20 hypothetical		\$ 42,673,532	\$ 38,541,368	\$ 28,367,948	\$ 30,767,593	\$ 16,685,112
	CommCare <133 FPL hypothetical		\$ 97,101,247	\$ 404,126,169	\$ 387,422,325	\$ 420,194,379	\$ 227,869,311
	Essential 19-20 hypothetical	\$ 16,925,270	\$ 26,209,313	\$ 24,472,291	\$ 26,153,806	\$ 28,366,157	\$ 15,382,825
	Medical Homes				\$ 4,034,137	\$ 7,900,000	\$ 7,900,000
	Pediatric Asthma					\$ 126,635	\$ 139,298
	Early Intervention Specialty Services				\$ 4,400,000	\$ 12,600,000	\$ 13,860,000
	1915(c) adjustment	\$ (102,242,569)	\$ (100,625,454)				
	<b>Total Projected Expenditures (non-SNCP)</b>	<b>\$ 4,802,766,814</b>	<b>\$ 5,348,999,371</b>	<b>\$ 6,050,520,879</b>	<b>\$ 6,086,397,724</b>	<b>\$ 6,411,728,166</b>	<b>\$ 3,385,106,785</b>
	<b>Schedule C Total</b>	<b>\$ 6,510,804,613</b>	<b>\$ 6,704,349,909</b>	<b>\$ 7,511,633,455</b>	<b>\$ 7,401,987,934</b>		
	Exclude Sch. C SNCP expenditures	\$ (1,655,265,199)	\$ (1,318,612,021)	\$ (1,531,076,687)	\$ (1,393,884,056)		
	Exclude Sch. C CC Hypo expenditures	\$ -	\$ (139,774,779)	\$ (442,667,537)	\$ (415,790,274)		
	Exclude Essential 19-20 Hypo expend.	\$ (16,925,270)	\$ (26,209,313)	\$ (24,472,291)	\$ (26,153,806)		
	<b>Subtotal: Non-SNCP non-Hypo Sch. C</b>	<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>		
	Completion (claims run out)					\$ 1,883,031,860	
	Actual / Estimated P4P		\$ 35,282,313	\$ 11,781,859	\$ 55,563,168		
	<b>Total expenditures not yet reported on Schedule C</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,883,031,860</b>	
	<b>Total Schedule C with Adjustments</b>	<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 7,449,191,657</b>		
	<b>Total from above (line 19)</b>	<b>\$ 4,838,614,144</b>	<b>\$ 5,219,753,796</b>	<b>\$ 5,513,416,940</b>	<b>\$ 5,566,159,798</b>		
	Tie	\$ -	\$ -	\$ -	\$ 1,883,031,860		

## ACA Changes (effective 2014)

- (6) E-HIV/FA is separated into ≤133% (MassHealth Benchmark 2) and >134-200% (E-HIV/FA)
- (7) MassHealth Basic will become MassHealth Benchmark 2
- (8) BCCTP is separated into ≤133% (MassHealth Standard/Benchmark 1) and >134-250% (BCCTP)
- (10) MassHealth Essential will become MassHealth Benchmark 2
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- (12) MSP is separated into ≤133% (MassHealth Benchmark 2), >133-300 (QHP Wrap), and 301-400 (QHP)

<b>Q3&amp;Q4 WY17-SFY2014</b>	
\$	28,939,454
\$	24,232,939
\$	1,134,467,731
\$	1,355,698,849
\$	-
\$	5,581,876
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\$	862,597
\$	39,187,744
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\$	3,225,500
<hr/>	
\$	7,467,598
\$	107,540,234
\$	15,382,825
\$	980,559
<b>\$</b>	<b>131,371,216</b>
\$	224,345,322
\$	8,584,489
\$	324,433,435
\$	4,456,980
\$	4,044,288
<b>\$</b>	<b>565,864,514</b>
<b>\$</b>	<b>3,289,432,420</b>
<hr/>	
<hr/>	
<b>\$</b>	<b>3,289,432,420</b>

**SNCP expenditures for dates of service in SFY 2012-2014 (projected and rounded)**

#	Type	Applic. caps	State law or regulation	Eligible providers	Total SNCP expenditure per SFY			3-year total
					SFY 2012	SFY 2013	SFY 2014	
1	Public Service Hospital Safety Net Care Payment	Prov		Boston Medical Center Cambridge Health Alliance	\$ 332.0	\$ 332.0	\$ 332.0	\$ 996.0
2	Health Safety Net Trust Fund Safety Net Care Payment	Prov	114.6 CMR 13.00, 14.00	All acute hospitals	\$ 77.7	\$ 159.4	\$ 156.3	\$ 393.4
3	Institutions for Mental Disease (IMD)	Prov	130 CMR 425.408, 114.3 CMR 46.04	Psychiatric Inpatient Hospitals Community-based detoxification centers	\$ 9.9	\$ 22.0	\$ 24.0	\$ 55.8
4	Special Population State-Owned Non-Acute Hospitals Operated by the Department of Public Health	Prov		Shattuck Hospital Tewksbury Hospital Massachusetts Hospital School Western Mass. Hospital	\$ 40.0	\$ 43.0	\$ 45.0	\$ 128.0
5	State-Owned Non-Acute Hospitals Operated by the Department of Mental Health	Prov		Cape Cod and Islands Mental Health Center Corrigan Mental Health Center Lindemann Mental Health Center Quincy Mental Health Center SC Fuller Mental Health Center Taunton State Hospital Worcester State Hospital	\$ 70.0	\$ 74.0	\$ 77.0	\$ 221.0
6	Delivery System Transformation Incentives	DSTI		Cambridge Health Alliance Boston Medical Center Holyoke Medical Center Lawrence General Hospital Mercy Medical Center Signature Healthcare Brockton Hospital Steward Carney Hospital	\$ 209.3	\$ 209.4	\$ 209.3	\$ 628.0
7	Designated State Health Programs*	DSHP		n/a	\$ 360.0	\$ 310.0	\$ 400.0	\$ 1,070.0
8	Commonwealth Care	n/a	C. 58 (2006)	n/a	\$ 305.1	\$ 387.7	\$ 255.3	\$ 948.1
9	Infrastructure and Capacity-building	Infra.		Eligible providers	\$ 3.0	\$ 30.0	\$ 30.0	\$ 63.0
<b>Total</b>								<b>\$ 4,503.3</b>

<b>Expenditure Limits (STC ¶46)</b>	SNCP Aggregate Cap (proposed)		\$ 4,670.0
	(over)/under		\$ 166.7
<b>Subcaps</b>	<b>Subcap</b>	<b>Expend.</b>	<b>(over)/under</b>
	Infrastructure Subcap (5% of SNCP cap)	\$ 233.5	\$ 63.0 \$ 170.5
	Provider Subcap	\$ 1,874.1	\$ 1,794.2 \$ 79.8
	DSHP Subcap	\$ 800.0	\$ 1,070.0 \$ (270)

The following notes, referenced by line number, are incorporated by reference into chart A

(1) The provider-specific Public Service Hospital Safety Net Care payments approved by CMS are as follows:

For dates of service in SFY 2012, BMC, \$52,000,000; CHA, \$280,000,000 (\$125,500,000 already authorized).

For dates of service in SFY 2013, BMC, \$52,000,000; CHA, \$280,000,000.

For dates of service in SFY 2014, BMC, \$52,000,000; CHA, \$280,000,000.

The Commonwealth may decrease these payment amounts based on available funding without a Demonstration amendment; any increase will require a Demonstration amendment.

(2) Health Safety Net Trust Fund (HSNTF) Safety Net Care Payments are made based on adjudicated claims, and approved by CMS on an aggregate basis. Consequently, actual total and provider-specific payment amounts may vary depending on volume, service mix, rates, and available funding.



(3) IMD claiming is based on adjudicated claims, and approved by CMS on an aggregate basis. Consequently, actual total and provider-specific payment amounts may vary depending on volume, service mix, rates, and available funding. Three payment types make up the IMD category: inpatient services at psychiatric inpatient hospitals, administrative days, and inpatient services at community-based detoxification centers.

(4-5) Expenditures for lines #4-5 are based on unreimbursed Medicaid and uninsured costs, and are approved by CMS on an aggregate basis. Consequently, the total and provider-specific amounts expended may vary depending on volume, service mix, and cost growth.

(6) Terms and Conditions governing Delivery System Transformation Incentives are detailed in Attachment F. A list of eligible hospitals and initial funding allotments are contained in Attachment I.

(7) \*DSHP programs are listed separately in Attachment E. Authority for DSHP applies only to expenditures for dates of service through December 31, 2013. The budget neutrality submission included in the 1115 Demonstration Amendment includes the Commonwealth's proposed changes to SFY 2014 DSHP expenditures, increasing the total SFY 2014 authorized expenditures from \$130,000,000 to \$400,000,000 total.

(8) Expenditures for Commonwealth Care Premium Assistance are based on actual enrollment, capitation rates, and expected enrollee contributions, and are approved by CMS on an aggregate basis. Consequently, the amount for each year may vary. Expenditures for Commonwealth Care Premium Assistance for Hypothetical populations (CommCare-19-20, CommCareParents, and CommCare-133 EGs) are excluded from the SNCP. Authority for Commonwealth Care applies only to expenditures for dates of service through December 31, 2013.

(9) Infrastructure and Capacity-Building (ICB) funds support Commonwealth-defined health systems improvement projects, and are approved by CMS on an aggregate basis, pursuant to STC 49(d). Spending for ICB is subject to the limit described in STC 50(b).

## Hypothetical Population Analysis

STC 73(a)(iii): Starting in SFY 2009, actual expenditures for the CommCare-19+20 and CommCare Parents [parents and caretaker relatives who would be eligible for base EGs, except for income] EGs will be included in the expenditure limit for the Commonwealth.

Starting April 1, 2010, actual expenditures for the CommCare-133 EG [<=133% FPL] will be included in the expenditure limit for the Commonwealth.

The amount of actual expenditures to be included will be the lower of the trended baseline costs, or actual per member per most cost experience for these groups in SFYs 2009-2011.

### 19 + 20 year olds

Member Months CommCare 19+20		Actual / Projected PMPM CommCare 19+20		Trended PMPM CommCare 19+20			
SFY 2009	117,343	SFY 2009	\$ 374.33	SFY 2009	\$ 374.33	Actual	
SFY 2010	108,929	SFY 2010	\$ 392.71	SFY 2010	\$ 400.35	7.0% From 3rd Renewal STCs	
SFY 2011	91,938	SFY 2011	\$ 338.05	SFY 2011	\$ 428.17	7.0% From 3rd Renewal STCs	
SFY 2012	70,986	SFY 2012	\$ 399.63	SFY 2012	\$ 447.13	5.3% From December 2011 Renewal STCs	
SFY 2013	73,116	SFY 2013	\$ 420.81	SFY 2013	\$ 470.83	5.3% From December 2011 Renewal STCs	
SFY 2014	75,309	SFY 2014	\$ 443.11	SFY 2014	\$ 495.78	5.3% From December 2011 Renewal STCs	
		<b>Actual / Projected total expenditures</b> Used for WW Expenditures		<b>Trended baseline costs</b>		<b>Lesser of Actuals or Trended</b> Used for WOW Cap	
		SFY 2009	\$ -	SFY 2009	\$ 43,925,128	SFY 2009	\$ -
		SFY 2010	\$ 42,673,532	SFY 2010	\$ 43,609,471	SFY 2010	\$ 42,673,532
		SFY 2011	\$ 38,541,368	SFY 2011	\$ 39,365,262	SFY 2011	\$ 38,541,368
		SFY 2012	\$ 28,367,948	SFY 2012	\$ 31,739,970	SFY 2012	\$ 28,367,948
		SFY 2013	\$ 30,767,593	SFY 2013	\$ 34,425,009	SFY 2013	\$ 30,767,593
		SFY 2014	\$ 33,370,223	SFY 2014	\$ 37,336,720	SFY 2014	\$ 33,370,223
			\$ 173,720,664				

### CommCare Parents

Member Months CommCare Parents		Actual / Projected PMPM CommCare Parents		Trended PMPM CommCare Parents			
SFY 2009	86,941	SFY 2009	\$ 374.33	SFY 2009	\$ 374.33	Actual	
SFY 2010	101,210	SFY 2010	\$ 372.27	SFY 2010	\$ 400.35	7.0% From 3rd Renewal STCs	
SFY 2011	113,240	SFY 2011	\$ 413.22	SFY 2011	\$ 428.17	7.0% From 3rd Renewal STCs	
SFY 2012	116,834	SFY 2012	\$ 374.09	SFY 2012	\$ 498.35	5.3% From December 2011 Renewal STCs	
SFY 2013	120,339	SFY 2013	\$ 393.91	SFY 2013	\$ 524.77	5.3% From December 2011 Renewal STCs	
SFY 2014	123,949	SFY 2014	\$ 414.79	SFY 2014	\$ 552.58	5.3% From December 2011 Renewal STCs	
		<b>Actual / Projected total expenditures</b> Used for WW Expenditures		<b>Trended baseline costs</b>		<b>Lesser of Actuals or Trended</b> Used for WOW Cap	
		SFY 2009	\$ 32,544,698	SFY 2009	\$ 32,544,698	SFY 2009	\$ 32,544,698
		SFY 2010	\$ 37,677,624	SFY 2010	\$ 40,519,364	SFY 2010	\$ 37,677,624
		SFY 2011	\$ 45,491,820	SFY 2011	\$ 48,486,178	SFY 2011	\$ 45,491,820

SFY 2012	\$	43,705,904
SFY 2013	\$	47,402,987
SFY 2014	\$	51,412,805
	\$	<u>258,235,838</u>

SFY 2012	\$	58,224,224
SFY 2013	\$	63,150,308
SFY 2014	\$	68,491,844

SFY 2012	\$	43,705,904
SFY 2013	\$	47,402,987
SFY 2014	\$	51,412,805

**CommCare < 133% FPL (1902(k)(2))**

Member Months	
	CommCare <133 (k)(2)
SFY 2009	N/A
SFY 2010	244,835
SFY 2011	949,547
SFY 2012	949,810
SFY 2013	978,304
SFY 2014	1,007,653

Actual / Projected PMPM	
	CommCare <133 (k)(2)
SFY 2009	N/A
SFY 2010	\$ 397.48
SFY 2011	\$ 393.82
SFY 2012	\$ 407.89
SFY 2013	\$ 429.51
SFY 2014	\$ 452.28

Trended PMPM	
	CommCare <133 (k)(2)
SFY 2009	N/A
SFY 2010	\$ 397.48
SFY 2011	\$ 425.11 7.0%
SFY 2012	\$ 498.36 5.3%
SFY 2013	\$ 524.77 5.3%
SFY 2014	\$ 552.58 5.3%

Actual  
 From 3rd Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs

Actual / Projected total expenditures	
Used for WW Expenditures	
SFY 2009	N/A
SFY 2010	\$ 97,101,247
SFY 2011	\$ 404,126,169
SFY 2012	\$ 387,422,325
SFY 2013	\$ 420,194,379
SFY 2014	\$ 455,738,622
	\$ <u>1,764,582,743</u>

Trended baseline costs	
SFY 2009	N/A
SFY 2010	\$ 97,317,635
SFY 2011	\$ 403,658,851
SFY 2012	\$ 473,347,312
SFY 2013	\$ 513,384,748
SFY 2014	\$ 556,809,132

Lesser of Actuals or Trended	
Used for WOW Cap	
SFY 2009	N/A
SFY 2010	\$ 97,101,247
SFY 2011	\$ 403,658,851
SFY 2012	\$ 387,422,325
SFY 2013	\$ 420,194,379
SFY 2014	\$ 455,738,622

## Essential 19+20 Hypothetical Population

STC 73(a)(iii): Starting in SFY 2009, actual expenditures for the Essential-19+20 EG (19 and 20-year old members enrolled in Essential) will be included in the expenditure limit for the Commonwealth. The amount of actual expenditures to be included will be the lower of the trended baseline costs, or actual per member per most cost experience for these groups in SFYs 2009-2011.

Member Months	Essential 19+20
SFY 2009	57,938
SFY 2010	81,724
SFY 2011	89,871
SFY 2012	87,947
SFY 2013	90,585
SFY 2014	93,302

Actual / Projected PMPM	
Essential 19+20	
SFY 2009	\$292.13
SFY 2010	\$311.52
SFY 2011	\$271.48
SFY 2012	\$297.38
SFY 2013	\$313.14
SFY 2014	\$329.74
<b>Actual / Projected total expenditures</b>	
Used for WW Expenditures	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 26,209,313
SFY 2011	\$ 24,472,291
SFY 2012	\$ 26,153,806
SFY 2013	\$ 28,366,157
SFY 2014	\$ 30,765,650
	<u>\$ 152,892,487</u>

Trended PMPM	
Essential	
SFY 2009	\$ 292.13
SFY 2010	\$ 312.43 7.0%
SFY 2011	\$ 334.14 7.0%
SFY 2012	\$ 378.31 5.3%
SFY 2013	\$ 398.36 5.3%
SFY 2014	\$ 419.47 5.3%
<b>Trended baseline costs</b>	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 25,533,171
SFY 2011	\$ 30,029,941
SFY 2012	\$ 33,271,041
SFY 2013	\$ 36,085,438
SFY 2014	\$ 39,137,906
	<u>\$ 180,982,767</u>

Actual  
 From 3rd Renewal STCs  
 From 3rd Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs

Lesser of Actuals or Trended	
Used for WOW Cap	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 25,533,171
SFY 2011	\$ 24,472,291
SFY 2012	\$ 26,153,806
SFY 2013	\$ 28,366,157
SFY 2014	\$ 30,765,650

## Essential 19+20 Hypothetical Population

STC 73(a)(iii): Starting in SFY 2009, actual expenditures for the Essential-19+20 EG (19 and 20-year old members enrolled in Essential) will be included in the expenditure limit for the Commonwealth. The amount of actual expenditures to be included will be the lower of the trended baseline costs, or actual per member per most cost experience for these groups in SFYs 2009-2011.

Member Months	Essential 19+20
SFY 2009	57,938
SFY 2010	81,724
SFY 2011	89,871
SFY 2012	87,947
SFY 2013	90,585
SFY 2014	93,302

Actual / Projected PMPM	
Essential 19+20	
SFY 2009	\$292.13
SFY 2010	\$311.52
SFY 2011	\$271.48
SFY 2012	\$297.38
SFY 2013	\$313.14
SFY 2014	\$329.74
<b>Actual / Projected total expenditures</b>	
Used for WW Expenditures	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 26,209,313
SFY 2011	\$ 24,472,291
SFY 2012	\$ 26,153,806
SFY 2013	\$ 28,366,157
SFY 2014	\$ 30,765,650
	<u>\$ 152,892,487</u>

Trended PMPM	
Essential	
SFY 2009	\$ 292.13
SFY 2010	\$ 312.43 7.0%
SFY 2011	\$ 334.14 7.0%
SFY 2012	\$ 378.31 5.3%
SFY 2013	\$ 398.36 5.3%
SFY 2014	\$ 419.47 5.3%
<b>Trended baseline costs</b>	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 25,533,171
SFY 2011	\$ 30,029,941
SFY 2012	\$ 33,271,041
SFY 2013	\$ 36,085,438
SFY 2014	\$ 39,137,906
	<u>\$ 180,982,767</u>

Actual  
 From 3rd Renewal STCs  
 From 3rd Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs  
 From December 2011 Renewal STCs

Lesser of Actuals or Trended	
Used for WOW Cap	
SFY 2009	\$ 16,925,270
SFY 2010	\$ 25,533,171
SFY 2011	\$ 24,472,291
SFY 2012	\$ 26,153,806
SFY 2013	\$ 28,366,157
SFY 2014	\$ 30,765,650

# CommonHealth

April 17, 2013

## STC language

d) Starting in SFY 2006, actual expenditures for the CommonHealth EG will be included in the expenditure limit for the Commonwealth. The amount of actual expenditures to be included will be the lower of the trended baseline CommonHealth costs [using recent base year experience and approved trend rates] or actual CommonHealth per member per month (PMPM) cost experience for SFYs 2009-2011 [DYS 12, 13, and 14].

### Trended baseline CommonHealth costs

Base year: SFY 2006

Approved trend rates: 7.0% through SFY 2008, 7.61% through SFY 2011

Using 1115 Demonstration trends for disabled for 2012-2014, 6.0%

	SFY 2006
Total spending	\$ 61,168,938
Part D spending	\$ 8,730,110
Net spending	\$ 52,438,828
Member months	137,818
PMPM	\$ 380.49

This calculation is based on the same data used for the adjustment from the 2006 amendment

### Trend through SFY 2014

### From WW Expenditu Used for WOW Cap

	Member Months	Trended PMPM	Trended spending	Actual / projected spending	Lesser of Actuals or Trended
SFY 2006	137,818	\$ 380.49	\$ 52,438,828	\$ 52,438,828	\$ 52,438,828
SFY 2007	147,218	\$ 380.49	\$ 56,015,652	\$ 61,576,778	\$ 56,015,652
SFY 2008	157,887	\$ 380.49	\$ 60,074,949	\$ 61,721,922	\$ 60,074,949
SFY 2009	164,603	\$ 380.49	\$ 62,630,342	\$ 87,507,322	\$ 62,630,342
SFY 2010	185,138	\$ 380.49	\$ 70,443,766	\$ 73,192,418	\$ 70,443,766
SFY 2011	201,460	\$ 380.49	\$ 76,654,103	\$ 79,678,838	\$ 76,654,103
SFY 2012	214,279	\$ 563.46	\$ 120,737,583	\$ 78,375,488	\$ 78,375,488
SFY 2013	220,707	\$ 597.27	\$ 131,821,823	\$ 80,726,753	\$ 80,726,753
SFY 2014	227,328	\$ 633.11	\$ 143,923,930	\$ 80,726,753	\$ 80,726,753

\$ 449,557,205 (2009-2014 Total)

**WOW Base PMPMs are trended from existing WOW PMPM using the President's Budget trend rate**

1115 Demonstration Renewal (December 2011) trend rate

	SFY 2012	SFY 2013	SFY 2014	
Base Families	5.3%	5.3%	5.3%	Adults + Children trend
Base Disabled/MCB	6.0%	6.0%	6.0%	Blind/Disabled trend
1902 (r) 2 Children	4.9%	4.9%	4.9%	Children trend
1902 (r) 2 Disabled	6.0%	6.0%	6.0%	Blind/Disabled trend
1902 (r) 2 BCCTP	5.3%	5.3%	5.3%	Adults trend

Note: these trends reflect a 2011-2013 aggregate trend (per CMS direction)

	SFY 2011	4th Extension		
		SFY 2012	SFY 2013	SFY 2014
Base Families	\$ 533.73	\$ 562.02	\$ 591.81	\$ 623.17
Base Disabled/MCB	\$ 1,155.55	\$ 1,224.88	\$ 1,298.38	\$ 1,376.28
1902 (r) 2 Children	\$ 436.22	\$ 457.59	\$ 480.02	\$ 503.54
1902 (r) 2 Disabled	\$ 904.76	\$ 959.04	\$ 1,016.59	\$ 1,077.58
1902 (r) 2 BCCTP	\$ 3,489.72	\$ 3,674.67	\$ 3,869.43	\$ 4,074.51

Hypothetical Trends				
CommCare & Essential	5.3%	5.3%	5.3%	Adults trend
CommonHealth	6.0%	6.0%	6.0%	Blind/Disabled trend

## Projected DSH allotment

FFY	Allot W/O ARRA (Federal share)	Allot W/ ARRA (Federal share)	Allotment w/ ARRA (Total Computable)	Source
2008	287,285,600		574,571,200	Federal Register
2009	299,926,166	307,424,320	614,848,640	Federal Register
2010	299,926,166	315,109,928	630,219,856	Federal Register
2011	305,324,837		610,649,674	Federal Register
2012	314,685,733		629,371,466	CMS
2013	320,507,419		641,014,838	Projected using CPI-U
2014	326,436,806		652,873,613	Projected using CPI-U

### Shift to SFY (3/4 same SFY; 1/4 next SFY)

SFY 2009	\$ 604,779,280
SFY 2010	\$ 626,377,052
SFY 2011	\$ 615,542,220
SFY 2012	\$ 624,691,018
SFY 2013	\$ 638,103,995
SFY 2014	\$ 649,908,919

3-year renewal  
DSH allotment \$ 1,874,073,054

### Change in SNCP

Base	\$ 4,600,000,000	
Old DSH	\$ 1,723,713,600	
New DSH	\$ 1,874,073,054	<i>used for SNCP cap and provider subcap</i>
Change	\$ 150,359,454	
SNCP (SFY 2009 to 2011)	\$ 4,750,359,454	

DSH Allotment grows based on CPI-U - Consumer Price Index for all Urban Consumers

		Core PCE inflation
FFY 2010	0.8 to 1.0	0.90% projection
Longer term	1.7 to 2.0	1.85% PCE inflation projection

Monetary Policy Report to the Congress (July 21, 2010)  
[http://www.federalreserve.gov/monetarypolicy/mpr\\_20100721\\_part4.htm](http://www.federalreserve.gov/monetarypolicy/mpr_20100721_part4.htm)

#### Sources:

FY 2009 Revised Preliminary Allotment U/ARRA  
 FY 2010 Preliminary Allotment

<http://edocket.access.gpo.gov/2010/pdf/2010-8502.pdf>  
 p. 21314 Federal Register / Vol. 75, No. 78 / Friday, April 23, 2010 / Notices