



MassHealth 1115 Demonstration Waiver Extension Proposal – Public Notice

August 2021

The Massachusetts Executive Office of Health and Human Services (EOHHS) announces its intent to submit a request to extend the MassHealth Section 1115 Demonstration (“Request”) to the Centers for Medicare and Medicaid Services. The MassHealth 1115 Demonstration provides federal authority for Massachusetts to expand eligibility to individuals who are not otherwise eligible for coverage through Medicaid or the Children’s Health Insurance Program (CHIP), offer services that are not typically covered by Medicaid, and use innovative service delivery systems that improve the quality of care and health outcomes, increase efficiency, and reduce costs.

MassHealth is the Commonwealth’s Medicaid and CHIP program, covering more than 2 million (approximately 30%) residents, and critical to maintaining Massachusetts’s level of coverage at over 97%, the highest in the nation. Beginning in 2018, under the current 1115 demonstration, the Baker-Polito administration implemented the most significant delivery system reforms for MassHealth members in over two decades, restructuring the delivery system towards integrated, value-based and accountable care; improving integration of physical health, behavioral health, and long-term services and supports; and, addressing the opioid crisis through expanded access to a broad spectrum of recovery-oriented substance use disorder services. These reforms established a nationally-leading model of Accountable Care Organizations (ACOs) – provider-led organizations that take accountability for improving quality of care while simultaneously controlling costs – which have now enrolled more than 80% of eligible MassHealth members. The current waiver also authorized funding through the Safety Net Care Pool – ~\$8 billion over five years – including \$1.8 billion in one-time Delivery System Reform Incentive Program (DSRIP) funding to support the transition towards ACO models; \$4.8 billion for uncompensated care by safety net providers, including the Health Safety Net; and, over \$1.3 billion for subsidies to assist consumers in obtaining affordable coverage on the Massachusetts Health Connector.

The current demonstration period ends June 30, 2022.

This fall, MassHealth will submit an 1115 demonstration extension to continue progress in improving health outcomes and closing health disparities.

- MassHealth’s ACO program has shown promising early results (data available for 2018 and 2019), including:
 - Primary care visits were 12% higher for ACO members than for non-ACO members;
 - Avoidable admissions were reduced by 11%; and
 - Clinical quality scores were high overall and increased on a majority of measures.
- Nonetheless, opportunities remain to improve care and reduce cost, including:
 - Moving health care providers away from the fee-for-service payment model, and further towards integrated, team-based care delivery;
 - Improving access and delivery of behavioral health services;
 - Strengthening health care services and outcomes for children, youth, and families; and

- Standardizing and streamlining the program's administration.
- Simultaneously, health disparities persist, highlighting long-standing, systemic racism that MassHealth is committed to addressing through urgent health care reforms.
- DSRIP funding, which has catalyzed many of these reforms, expires in 2022 and is not renewable. MassHealth seeks to transition successful elements of DSRIP into core, sustainable program funding to continue building on progress to date.

To further improve health outcomes and close health disparities, MassHealth will propose an 1115 demonstration waiver extension with five goals:

1) Continue the path of restructuring and re-affirm accountable, value-based care – increasing expectations for how ACOs improve care and trend management, and refining the model:

- Re-procure and refine the ACO program, increasing expectations for ACOs on clinical integration and value-based payment, while implementing improvements based on lessons learned;
- Continue and refine the Behavioral Health and Long-Term Services and Supports Community Partners (CP) program, while transitioning the program to sustainable financing and a more accountable structure;
- Scale successful programs by transitioning ~80% of DSRIP funding to ongoing base funding;
- Streamline care coordination to ensure members have a single accountable point of contact, including by requiring ACOs to proactively identify and engage high and rising-risk members; and, to offer care coordination when needed to address holistic needs, including behavioral health, long-term services and supports, and health-related social needs;
- Continue and refine the Flexible Services Program and Community Support Programs; and
- Implement a uniform pharmacy formulary and equalize 340b payment methods across delivery systems.

2) Reform and invest in primary care, behavioral health and pediatric care that expands access and moves the delivery system away from siloed, fee-for-service health care:

- Invest ~\$115 million per year in primary care through a sub-capitation payment model that supports enhanced care delivery expectations (e.g., behavioral health integration), and provider flexibility;
- Align the waiver proposal to support the Commonwealth's [Roadmap for Behavioral Health Reform](#), which will result in investments of >\$200 million per year to expand behavioral health access and integration;
- Improve behavioral health workforce capacity and diversity via loan repayment for clinicians making a multi-year commitment to serve MassHealth members; and training for peers and community health workers;
- Expand coverage for diversionary behavioral health services to MassHealth fee-for-service members; and
- Strengthen expectations for ACOs to invest in pediatric preventive care and coordinate care for children with complex needs.

3) Advance health equity, with a focus on initiatives addressing health-related social needs and specific disparities, including maternal health and health care for justice-involved individuals:

- Launch a \$500 million initiative over five years for ACO-participating hospitals that measure and reduce health care disparities;
- Hold ACOs accountable for measuring and closing health disparities, including stratification by race, ethnicity, language, disability status, sexual orientation, and gender identity;
- Provide MassHealth coverage for eligible individuals in jails and prisons, and provide post-release transition to improve health outcomes and reduce costs for justice-involved individuals;
- Address racial and ethnic disparities in maternal health, including 12-month postpartum eligibility regardless of immigration status, coverage for doula services, and increased supports for high-risk pregnancies;
- Strengthen coverage for members with disabilities, including streamlining access to CommonHealth coverage, required reporting of quality measures stratified by disability, and improvements to the LTSS CP program; and
- Continue and refine MassHealth’s innovative risk-adjustment approach for ACO rates that accounts for members’ medical and social needs.

4) Sustainably support the Commonwealth’s safety net, including level, predictable funding for safety net providers, with a continued linkage to accountable care:

- Generate \$515M in additional funding for hospitals over five years, with the vast majority tied to investments in the safety net supporting health equity;
- Continue the Safety Net Care Pool, which provides essential funding support for safety net providers; and
- Expand the set of hospitals eligible for safety net funding and increase support for providers that became newly eligible for Safety Net Care Pool funding during the current demonstration period;
- Funding will be supported by extension of the hospital assessment;
- The Commonwealth remains in active dialogue with the provider community around the parameters of these critical funding streams.

5) Maintain near-universal coverage, including updates to eligibility policies to support coverage and equity:

- Maintain current coverage expansions, including state insurance subsidies for the Health Connector for individuals earning up to 300% of the federal poverty level;
- Make targeted updates that expand eligibility to maintain near-universal coverage and advance equity;
- Simplify the process for disabled adults to qualify for CommonHealth;
- Implement 3-month retroactive eligibility for pregnant women and children;
- Offer continuous 12-month postpartum eligibility regardless of immigration status; and

- Offer continuous eligibility for members experiencing homelessness and post-release from jail or prison.

Timeline for MassHealth’s 1115 demonstration extension proposal

- August 2021 – 1115 demonstration extension proposal posted for public comment (30 days)
- October / November 2021 – submission of 1115 demonstration extension proposal to CMS
- June 2022 – anticipated approval of 1115 demonstration extension by CMS
- July 1, 2022 – anticipated start date for 1115 demonstration extension period
- January 2023 – anticipated start for new ACO and CP contracts under extended 1115 demonstration waiver

MassHealth’s proposed 1115 demonstration extension reflects intensive and ongoing stakeholder engagement

- Workgroups of over 100 stakeholders met throughout 2020 and early 2021 to inform policy design
- A broad range of stakeholders were engaged throughout the process, including consumer advocates, health care providers such as community health centers, hospitals, and behavioral health providers, LTSS providers, as well as community organizations
- MassHealth will continue engaging stakeholders throughout the summer and fall of 2021 before submitting the waiver extension request to CMS, including the formal public comment period on the draft proposal

Public Comment Period

Request documents can be found here: <https://www.mass.gov/info-details/proposed-1115-demonstration-extension-2022-2027-documents>

EOHHS program staff will host two public listening sessions in order to hear public comments on the Request. Stakeholders are invited to review the Request in advance and share with program staff at the listening sessions any input and feedback, or questions for future clarification. The listening sessions are scheduled as follows:

- Listening session #1 will be held virtually on September 9, 2021, from 11AM – 12:30PM
 - Meeting Link: Join from PC, Mac, Linux, iOS or Android
<https://umassmed.zoom.us/j/98201482334?pwd=Qi9JRWx1MVVWVURhYXA5VnhEZkFrdz09>
Password: 948301
 - Or iPhone one-tap (US Toll): +13126266799,98201482334# or +16468769923,98201482334#

- Or dial by Telephone:
 - +1 312 626 6799 (US Toll)
 - +1 646 876 9923 (US Toll)
 - +1 301 715 8592 (US Toll)
 - +1 346 248 7799 (US Toll)
 - +1 669 900 6833 (US Toll)
 - +1 253 215 8782 (US Toll)

Meeting ID: 982 0148 2334 - Password: 948301

International numbers available: [https://umassmed.zoom.us/u/adJOqArzhe](https://umassmed.zoom.us/j/95670890113?pwd=SE9VMDcyM2JkOHFiV3FGa1ZlT1NnZz09)

- Listening session #2, in conjunction with a meeting of the MassHealth Medical Care Advisory Committee and the MassHealth Payment Policy Advisory Board, will be held virtually on September 15, 2021 from 2PM – 3:30PM

- Meeting Link: Join from PC, Mac, Linux, iOS or Android <https://umassmed.zoom.us/j/95670890113?pwd=SE9VMDcyM2JkOHFiV3FGa1ZlT1NnZz09>

Password: 067626

- Or iPhone one-tap (US Toll): +16468769923,95670890113# or +13017158592,95670890113#

- Or dial by Telephone:
 - +1 646 876 9923 (US Toll)
 - +1 301 715 8592 (US Toll)
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 - +1 669 900 6833 (US Toll)
 - +1 253 215 8782 (US Toll)
 - +1 346 248 7799 (US Toll)

Meeting ID: 956 7089 0113 - Password: 067626

International numbers available: [https://umassmed.zoom.us/u/aF0xpSqVI](https://umassmed.zoom.us/j/95670890113?pwd=SE9VMDcyM2JkOHFiV3FGa1ZlT1NnZz09)

Live transcription and closed captioning will be available at both events, and we anticipate providing Spanish interpretation. Please contact Alysa St. Charles at Alysa.StCharles@umassmed.edu to request reasonable accommodations or additional language translation for either date.

EOHHS will accept written comments on the proposed Request through **September 20, 2021**. Written comments may be delivered by email or mail. By email, please send comments to 1115-

Comments@mass.gov and include “Comments on Demonstration Extension Request” in the subject line. By mail, please send comments to: EOHHS Office of Medicaid, Attn: 1115 Demonstration Comments, One Ashburton Place, 11th Floor, Boston, MA 02108. Comments must be received by 5 pm on September 20, 2021 in order to be considered. Paper or electronic copies of the extension request and/or submitted comments may be obtained by emailing a request to 1115-Comments@mass.gov or by mailing a request to EOHHS Office of Medicaid, Attn: 1115 Demonstration Comments, One Ashburton Place, 11th Floor, Boston, MA 02108. Comments will be posted on the MassHealth 1115 Demonstration website: <https://www.mass.gov/info-details/proposed-1115-demonstration-extension-2022-2027-documents>

Impact on MassHealth Enrollment and Expenditures

In state fiscal year (SFY) 2019, MassHealth enrollment included 16.7 million waiver member months (using pre-COVID-19 data). Average enrollment is expected to increase by approximately 2.2% per year from SFY 2023 – SFY 2027, after adjusting for redeterminations after the end of the COVID-19 public health emergency. Actual waiver expenditures were \$9.6 billion in SFY 2019 and are expected to increase on average by approximately 2.6% per year from SFY 2023 – SFY 2027. The changes to the demonstration in total are expected to add \$280 million per year, due to the impacts of the justice-involved population, health equity related payments and various eligibility-related requests.

Hypothesis and Evaluation Parameters.

The evaluation will examine MassHealth initiatives against the demonstration’s five goals. Statewide and provider performance on measures under each goal will form the foundation of the quantitative evaluation of these goals under the demonstration. As a complement to the quantitative evaluation, the independent evaluator will use qualitative evaluation methods to give context to and illuminate the quantitative data and to investigate specific patterns or other findings in this data.

Waiver and expenditure authorities requested

- Implement changes to 340B payment methodologies – waiver authority
- Implement a primary care sub-capitation in the Accountable Care Partnership Plans and Primary Care ACOs in order to pay participating PCPs at rates that vary from the State Plan, and to pay Primary Care ACOs to make such payments on behalf of the state – waiver and expenditure authority
- Student loan repayment – expenditure authority
- Expand diversionary behavioral health services to members enrolled in Fee-For-Service – expenditure authority
- Health equity related payments for ACOs, ACO affiliated hospitals, and non-state-owned public hospitals – expenditure authority
- Flexible Services Program: to pay ACOs for the delivery of flexible services in addition to the capitation or administrative payments – expenditure authority
- Implement new versions of the Community Support Program (CSP), including CSP for Homeless Individuals, and CSP – Tenancy Preservation Program – expenditure authority

- Provide full MassHealth coverage for otherwise-eligible members during incarceration – expenditure authority
- Three streams of Safety Net Care Pool funding, for the Disproportionate Share Hospital allotment pool, Uncompensated Care Pool, and the ConnectorCare premium and cost sharing affordability subsidies – expenditure authority
- Update CommonHealth eligibility to include non-working adults 65 and over in the CommonHealth definition, and in order to disregard asset and income limits that otherwise apply to individuals aged 65 and over – waiver and expenditure authority
- 24-months continuous eligibility to individuals with a confirmed status of homelessness – waiver authority
- 12-months continuous eligibility to individuals upon release from incarceration – waiver authority
- Retroactive eligibility under 42 CFR 435.915 for all remaining populations described in Table A of the current demonstration’s STCs except for pregnant women and Medicaid and CHIP children up to age 19, including unborn children – waiver authority