

## Reasons why Massachusetts filed a new 1115 Demonstration Waiver

- More than \$1 billion per year in safety net care pool funding terminates on June 30, 2017 if the waiver is not renegotiated
- The Baker-Polito Administration is committed to a sustainable, robust MassHealth program for its 1.8M members. MassHealth has grown unsustainably and represents 40% of the Commonwealth's budget (over \$15 billion)
- This is an opportunity to bring in significant federal investment to support health care delivery system reforms
- Current state law (Chapter 224) requires MassHealth to adopt alternative payment methodologies for promotion of more coordinated and efficient care

## Formally filed the federal 1115 MassHealth demonstration waiver on Friday, July 22, 2016

- The new waiver covers a 5-year period from July 2017 through June 2022 and provides the authority to restructure MassHealth toward Accountable Care Organization (ACO) models
- \$1.8 billion of upfront investment (DSRIP) over five years to support transition toward ACO models, including direct funding for community-based providers of behavioral health (BH) and long term services and support (LTSS)
- \$6.2 billion over 5 years for the Commonwealth's Safety Net Care Pool (in addition to DSRIP), to support safety net programs (e.g., Health Safety Net) and ConnectorCare affordability wrap
- Expansion of MassHealth-covered services for Substance Use Disorders

## Restructures the current MassHealth delivery system in a manner that promotes integrated, coordinated care and hold providers accountable for quality and total cost of care

- The fundamental structure of the MassHealth program has not changed in 20 years. The current fee-for-service payment model for providers results in fragmented care
- In ACO models, provider-led organizations are accountable for the cost and quality of care
- It is not a one-size-fits-all approach; there are different ACO models that reflect the range of provider capabilities and the Massachusetts health care market
- Managed Care Organizations (MCOs) may remain as an insurer, pay claims and work with ACO providers to improve care delivery

## Contains \$1.8 billion of upfront investments to support ACO transitions, with explicit funding to build community capacity for BH/LTSS providers and for health-related social needs

- 5-year time limited Delivery System Reform Incentive Program (DSRIP) funding
- To receive DSRIP, ACOs must partner with BH and LTSS Community Partners
- Community-based BH and LTSS providers who become Community Partners will be eligible for DSRIP
- Includes funds for non-reimbursed flexible services (e.g., air conditioners for asthmatic kids or housing stabilization and supports)
- Includes statewide investments for identified high priority health issues (e.g., addressing Emergency Department boarding, workforce development, accommodations for members with disabilities)

## Improves integration among physical health, behavioral health, long-term services and supports and health-related social services

- Explicit focus on establishing a BH system that improves outcomes and coordination of care, including for members with serious mental illness and co-morbid conditions
- Phased-in inclusion of LTSS into ACO and MCO accountability, following the principles of the *One Care* model of member-centered, integrated and culturally competent care

### **Establishes authority for the Safety Net Care Pool (SNCP)**

- Authorizes \$8 billion over 5 years (\$1.59 billion a year), including:
  - \$1.8 B over 5 years for DSRIP (\$0.36 B average per year )
  - \$5.3 B over 5 years for uncompensated care and safety net providers (\$1.06 B average per year), including \$1.6 B over 5 years for non-state public hospital payments (\$0.32 B average per year)
  - \$0.86 B over 5 years for ConnectorCare affordability wrap (\$0.17 B per year)
- Renews authority for Health Safety Net program, including payments to community health centers
- Restructures supplemental payments for safety net hospitals, linked to ACO participation
- Requests authority for federal match on the Commonwealth's cost-sharing wrap for Health Connector enrollees up to 300% FPL
- Establishes non-state public hospital payments and incentive programs tied to ACO performance and global budgets for uninsured care
- The required state share for the SNCP and DSRIP investment is supported by a \$250M increase in the existing hospital assessment

### **Expands MassHealth Substance Use Disorder (SUD) coverage to address the opioid crisis**

- MassHealth covers some, but not all, of the continuum of SUD services. Transitional Support Services (TSS) are only covered for certain populations, and Residential Rehabilitation Services (RRS) are not covered
- The MassHealth benefit for individuals with SUD will be expanded to include the full continuum of medically necessary 24-hour community-based rehabilitation services. Capacity will expand by nearly 400 beds in FY17, with over 450 additional beds in FY18
- Members with SUD will receive care management and recovery support services
- MassHealth will also adopt a standardized American Society of Addiction Medicine assessment across all providers

### **Waiver timelines**

- CMS approval anticipated fall 2016
- Pilot ACO launches by end of calendar year 2016
- Full roll out of ACOs, BH/LTSS Community Partners and DSRIP by October 2017
- Re-procurement of MCOs, with new contracts effective October 2017

### **Redesign is the result of a year of intensive stakeholder engagement process**

- 8 workgroups met bi-weekly for 4-5 months, and town hall meetings were held across the state
- Health care providers across the spectrum (Community Health Centers, Hospitals, BH providers) as well as advocates, LTSS providers and community organizations engaged
- Received nearly 100 oral and written comments during public comment period; all comments available on MassHealth Innovations website

Additional detail on the waiver proposal can be found on the MassHealth Innovations website at <http://www.mass.gov/eohhs/gov/commissions-and-initiatives/healthcare-reform/masshealth-innovations/>