

Must renegotiate federal 1115 MassHealth waiver including safety net care pool funding that expires on June 30, 2017

- More than \$1 billion per year will terminate if the Commonwealth does not renegotiate the terms of the existing 1115 demonstration waiver
- 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

The new waiver covers a 5-year period from July 2017 through June 2022 and provides the opportunity to restructure MassHealth. It includes the following:

- 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)
- Funding of the Commonwealth's Safety Net Care Pool, with ~\$1.2 billion year of total safety net programs, including the Health Safety Net
- Expansion of MassHealth-covered services for Substance Use Disorders (SUD)

Restructures the current MassHealth delivery system from fee-for-service care into ACO delivery models that promote 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 model options that reflect the range of provider capabilities and the Massachusetts health care market
- Managed Care Organizations (MCOs) may remain the insurer, pay claims and will work with ACO providers to improve care delivery

The waiver 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
- Community-based BH and LTSS providers who become Community Partners receive DSRIP
- To receive DSRIP, ACOs must partner with BH and LTSS Community Partners
- Includes funds for non-reimbursed flexible services (e.g., air conditioners for asthmatic kids)
- Includes statewide investments (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 behavioral health (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 ACOs and MCO accountability, following the principles of the *One Care* model of member-centered, integrated and culturally competent care

The waiver establishes authority for the Safety Net Care Pool (SNCP)

- \$1.59 billion a year (\$8 billion over 5 years), including:
 - \$0.36 B average per year for DSRIP (\$1.8 B over 5 years)
 - \$1.06 B per year for uncompensated care and safety net providers (\$5.3 B over 5 years), including \$0.32 B per year (\$1.6 B over 5 years) for public hospital payments
 - \$0.17 B per year for ConnectorCare affordability wrap (\$0.86 B over 5 years)
- 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 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

MassHealth Substance Use Disorder (SUD) coverage will be expanded 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

- Posted for public comment June 15 – written comments welcomed by July 17
- Two open meetings: June 24 at 2:30pm at One Ashburton Place in Boston with dial-in conference line and June 27 at 2pm at Fitchburg Public Library
- 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 process is the result of a year of intensive stakeholder engagement

- 8 workgroups met bi-weekly for 4-5 months and town hall meetings 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 have been engaged

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/>