

OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
(617) 725-4000

MAURA T. HEALEY
GOVERNOR

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

ATTACHMENT C

July 29, 2024

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution of the Commonwealth of Massachusetts, I am returning to you for amendment Sections 219 and 220 of House Bill No. 4800 *An Act making appropriations for the fiscal year 2025 for the maintenance of the departments, boards, commissions, institutions, and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements, and for certain permanent improvements.*

Sections 219 would require the Executive Office of Health and Human Services (EOHHS) to make \$63.6 million in additional payments to Cambridge Health Alliance (CHA), for each of fiscal years 2024 through 2027, by increasing currently established managed care directed payments by 20%. Section 220 would require EOHHS, in collaboration with CHA, to seek federal approvals to implement the payments required by Section 219. This section would also require EOHHS to annually authorize the payment to CHA through Fiscal Year 2027.

My administration is committed to supporting the important work of our only non-state-owned public hospital, the Cambridge Health Alliance. I will continue to direct MassHealth to avail itself of any and all federal dollars that could strengthen CHA and its vital mission. As drafted, however, Sections 219 and 220 present challenges that may expose the state to financial risk. In particular, the language of these sections could be read to require the Commonwealth to make \$63.6 million of annual payments to CHA at full state cost if the federal approvals required for full federal financial participation are not received, amounting to a total exposure of up to \$254.4 million. Given our current fiscal picture, it is important to minimize such risks and mitigate potential fiscal exposures.

With some targeted changes, we can not only support the important work of CHA but also provide much needed assurances to our operating budget. Accordingly, I recommend that the bill be amended by striking out sections 219 and 220 and inserting in place thereof the following section:-


SECTION 219. (a) Notwithstanding any general law or special law to the contrary, and subject to the availability of federal financial participation and receipt of all necessary federal approvals referenced in subsection (b), the secretary of health and human services shall implement new annual funding of not less than \$63,600,000 total computable within the state-directed Medicaid managed care incentive initiative payment mechanisms to the non-state-owned public hospital for each of the fiscal years 2024 to 2027, inclusive, at full levels, which reflects a 20 per cent increase to the maximum payment amounts listed in items 2, 4 and 5 of section 6 of Attachment Q of the MassHealth demonstration waiver approved May 15, 2023, effective October 1, 2022 to December 31, 2027, inclusive, under subsection (a) of section 1115 of Title XI of the federal Social Security Act.

(b) Notwithstanding any general or special law to the contrary, the secretary of health and human services, in collaboration with the non-state-owned public hospital, shall seek any and all required federal approvals the secretary and the non-state-owned public hospital deem necessary to implement this section, including any required waivers and other applicable submissions necessary to implement the state-directed payment mechanisms under 42 CFR 438.6(c).

(c) Notwithstanding any general or special law to the contrary, and subject to the availability of federal financial participation and receipt of all necessary federal approvals, the payments to the non-state-owned public hospital referenced in subsection (a) shall be authorized annually by the secretary of health and human services and shall be made through the Medical Assistance Trust Fund established in section 2QQQ of chapter 29 of the General Laws.

(d) The secretary of health and human services shall notify the house and senate committees on ways and means and the joint committee on health care financing of any federal approval received or denied pursuant to this section.

Respectfully submitted,


Maura Healey
Governor