

FY2005-FY2007 Sources and Uses

Managed Care Organizations	FY05	FY06	FY07
Sources			
Federal Share	\$ 385.0	\$ 385.0	\$ -
Intergovernmental Transfer	\$ 385.0	\$ 385.0	\$ -
Total Sources	\$ 770.0	\$ 770.0	\$ -

Uses of Funds			
MCO Supps (Casemix & Differential)	\$ 521.0	\$ 521.0	\$ -
MCO Supps (PCC)	\$ 109.0	\$ 109.0	\$ -
MCO Supps (Free Care)	\$ 140.0	\$ 140.0	\$ -
Total Uses	\$ 770.0	\$ 770.0	\$ -

Uncompensated Care Pool	FY05	FY06	FY07
Sources			
Hospital Assessment	\$ 160.0	\$ 160.0	\$ -
Insurance Surcharge	\$ 160.0	\$ 160.0	\$ -
General Fund Contribution	\$ 297.0	\$ 171.9	\$ -
Transfers from other funds	\$ 82.2	\$ 34.1	\$ -
Total Sources	\$ 699.2	\$ 526.0	\$ -

Uses of Funds			
Uncompensated Care Pool: Hospital Payments	\$ 486.6	\$ 466.0	\$ -
Uncompensated Care Pool: CHC Payments	\$ 39.9	\$ 56.0	\$ -
Demonstration Projects (Historic Pool)	\$ 3.0	\$ 4.0	\$ -
Demonstration Project for Disease Management	\$ 4.9	\$ -	\$ -
Pool Audit Unit: Transfer to Inspector General	\$ 4.9	\$ -	\$ -
MassHealth Essential	\$ 160.0	\$ -	\$ -
Total Uses	\$ 699.2	\$ 526.0	\$ -

Located in HCR Sources and Uses

Other DSH	FY05	FY06	FY07
Sources			
Federal Share	\$ 90.7	\$ 79.5	\$ -
General Fund	\$ 90.7	\$ 79.5	\$ -
Total Sources	\$ 181.3	\$ 159.0	\$ -

Uses			
DMH DSH Payments	\$ 105.1	\$ 105.1	\$ -
DPH DSH Payments	\$ 54.3	\$ 30.0	\$ -
Pediatric DSH Payments	\$ 10.0	\$ 12.0	\$ -
63% Basic/High Public Payer DSH Payments	\$ 11.9	\$ 11.9	\$ -
Total Uses	\$ 181.3	\$ 159.0	\$ -

Located in HCR Sources and Uses

Hospital Supplemental Payments	FY05	FY06	FY07
Sources			
J Federal Share	\$ 167.0	\$ 168.5	\$ 168.5
K Intergovernmental Transfers	\$ 167.0		
L General Fund		\$ 82.5	\$ 82.5
M Certified Public Expenditures	\$ -	\$ 86.0	\$ 86.0
Total Sources	\$ 334.0	\$ 337.0	\$ 337.0

Uses			
14 UCP Supplemental Payment	\$ 140.0	\$ 120.0	\$ -
14 BMC Supplemental Payment and CPE (FY06 and FY07)	\$ 12.0	\$ 44.0	\$ 64.0
14 CHA Supplemental Payment and CPE (FY06 and FY07)	\$ 8.0	\$ 48.0	\$ 148.0
14 UMASS Supplemental Payment	\$ 174.0	\$ 125.0	\$ 125.0
Total Uses	\$ 334.0	\$ 337.0	\$ 337.0

Health Care Reform Legislation

Sources	FY05	FY06	FY07
A Federal Share			\$ 656.8
B Costs Not Otherwise Matchable (CNOM) FFP			\$ 192.5
C Mass. General Fund for Costs Not Otherwise Matchable (CNOM)			\$ 385.0
D Mass. General Fund Appropriations for MassHealth			\$ 102.3
E New Mass. General Fund Monies			\$ 42.0
F Hospital Assessment			\$ 160.0
G Insurance Surcharge			\$ 160.0
H Health Care Security Trust Fund			\$ 7.0
I Other DSH General Fund			\$ 75.9
J Other DSH Federal Share			\$ 75.9
Total Sources	\$ -	\$ -	\$ 1,857.3
Uses			
1 Premium Assistance			\$ 160.0
2 Medicaid rate increases for hospitals and physicians			\$ 90.0
3 Essential Public Service Safety Net Hospital Payments			\$ 200.0
4 Uncompensated Care Pool: Hospital Payments			\$ 550.0
5 Uncompensated Care Pool: CHC Payments			\$ 56.0
6 Uncompensated Care Pool: Demonstration Projects			\$ 4.0
7 Commonwealth Insurance Connector Administration & Marketing			\$ 25.0
8 Administrative A&F Reserve			\$ 10.0
9 Costs Not Otherwise Matchable (CNOM)			\$ 385.0
10 MassHealth: MCO Rate Increases			\$ 87.0
11 MassHealth: Expansion of children to 300% FPL			\$ 38.9
12 MassHealth: Increase Essential Cap to 60,000			\$ 78.7
13 Smoking Cessation			\$ 7.0
14 DMH DSH Payments			\$ 102.0
14 DPH DSH Payments			\$ 28.0
14 Institutes for Mental Disease (IMDs) Payments			\$ 14.0
14 Pediatric DSH Payments			\$ 10.0
14 63% Basic/High Public Payer DSH Payments			\$ 11.7
Total Uses	\$ -	\$ -	\$ 1,857.3
Grand Total Sources	\$ 1,984.5	\$ 1,792.0	\$ 2,194.3
Grand Total Uses	\$ 1,984.5	\$ 1,792.0	\$ 2,194.3
Surplus/(Deficiency)	\$ -	\$ -	\$ -

Commonwealth of Massachusetts
"All Sources and Uses" tab Notes and Assumptions

FY07 Assumptions for Sources of Funds

A	Federal Share -- comprised of 50% of total spending (minus CNOM FFP and Other DSH FFP, which are captured seperately).
B	Costs Not Otherwise Matchable (CNOM) FFP -- 50% of total CNOM spending
C	General Fund - Costs Not Otherwise Matchable (CNOM) -- Equals total CNOM spending, located in the 'Uses'
D	General Fund appropriations for MassHealth -- General Fund appropriations to cover state share costs of 1) MCO rate increases, 2) Expansion of children to 300% FPL, and 3) Increase of MassHealth Essential cap to 60,000. It is anticipated that these funds will be included in the FY07 budget process.
E	New General Fund Monies -- New General Fund monies
F	Hospital Assessment -- Consistent with prior years and set in HCR legislation, section 124
G	Insurance Surcharge -- Consistent with prior years and set in HCR legislation, section 124
H	Health Care Security Trust Fund -- Per HCR legislation, section 108, \$7M from the HCSTF will be used for smoking cessation benefits.
I	Other DSH General Fund -- Consistent with prior years, the state share for Other DSH payments, appropriated from the General Fund
J	Other DSH Federal Share -- Consistent with prior years, the Federal Financial Participation for Other DSH spending
K	Federal Share -- Federal Financial Participation for CPE and supplemental payment claiming
L	Intergovernmental Transfers -- Not used in FY06, FY07, or FY08. Included in this sheet to reflect FY05 usage for
M	General Fund -- Amount of General Fund monies for supplemental payments
N	Certified Public Expenditures -- Amount of estimated Certified Public Expenditures. Includes \$74M from

FY07 Assumptions for Uses of Funds

1	Premium Assistance -- Uses the Legislature's HCR estimates
2	Medicaid rate increases for hospitals and physicians -- \$90M required in HCR legislation, section 128
3	Essential Public Service Safety Net Hospital Payments -- Set in HCR legislation, section 122
4	Uncompensated Care Pool: Hospital Payments -- Set in HCR legislation, section 124
6	Uncompensated Care Pool: Demonstration Projects -- Set in HCR legislation, section 124
7	Commonwealth Insurance Connector Administration & Marketing -- Set in HCR legislation, section 121
8	Administrative A&F Reserve -- Set in HCR legislation, section 2A, line-item 1599-2006
9	Costs Not Otherwise Matchable (CNOM) -- Existing state-only spending on health care-related services
10	MassHealth: MCO Rate Increases -- Set in HCR legislation, section 122
11	MassHealth: Expansion of children to 300% FPL -- Per HCR legislation, section 15, this is MassHealth's estimate of covering an average of approximately 16,200 children in FY07
12	Increase Essential Cap to 60,000 -- Per HCR legislation, section 107, this is MassHealth's estimated cost of covering
13	Smoking Cessation -- Per HCR legislation, section 108, \$7M for a 2-year pilot program for smoking and tobacco use
14	Other DSH -- Consistent with prior years
15	Hospital Supplemental Payment Section
	> Total gross claiming of \$337M assumes CMS approval of necessary CPE and Medicaid rate methodologies.
	> 'CHA CPE and Supplemental Payment' estimate includes \$74M CPE claim and \$74M supplemental payment claim
	> 'BMC CPE and Supplemental Payment' estimate includes \$12M CPE claim and \$52M supplemental payment claim
	> 'UMMHC Supplemental Payment' estimate includes \$125M supplemental payment claim

Other Notes

<u>Health Care Reform Legislation Vetoed by the Governor</u>		
Sources		FY07
Fair Share Assessment	\$	45.0
Total	\$	45.0
Uses		FY07
Restoration of Adult Dental	\$	64.7
Restoration of Adult Eye Glasses	\$	7.7
Restoration of Chiropractic	\$	1.0
Restoration of some Prosthetics	\$	0.1
Total	\$	73.5

**Commonwealth of Massachusetts
FY2007 Safety Net Care Pool Claiming Estimates**

Fund Made From	Total Projected Expenditures	Safety Net Care Pool Payments				Medicaid Payments		
		Projected Expenditures	Meth.	Federal Share	Non-Federal Share	Projected Expenditures	Federal Share	Non-Federal Share
Uncompensated Care Pool								
HSNTF	Uncompensated Care Pool: Hospital Payments	\$ 550.0	\$ 244.3 1	\$ 122.2	\$ 122.2	\$ 305.7	\$ 152.9	\$ 152.9
HSNTF	Uncompensated Care Pool: CHC Payments	\$ 56.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HSNTF	Uncompensated Care Pool: Demonstration Projects	\$ 4.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal Uncompensated Care Pool	\$ 610.0	\$ 244.3	\$ 122.2	\$ 122.2	\$ 305.7	\$ 152.9	\$ 152.9
Other DSH								
GF	DMH DSH Payments	\$ 102.0	\$ 102.0 2	\$ 51.0	\$ 51.0	\$ -	\$ -	\$ -
GF	DPH DSH Payments	\$ 28.0	\$ 28.0 3	\$ 14.0	\$ 14.0	\$ -	\$ -	\$ -
GF	Institutes for Mental Disease (IMDs) Payments	\$ 14.0	\$ 14.0 4	\$ 7.0	\$ 7.0	\$ -	\$ -	\$ -
GF	Pediatric DSH Payments	\$ 10.0	\$ 10.0 5	\$ 5.0	\$ 5.0	\$ -	\$ -	\$ -
GF	63% Basic/High Public Payer DSH Payments	\$ 11.7	\$ 11.7 6	\$ 5.9	\$ 5.9	\$ -	\$ -	\$ -
	Subtotal Other DSH	\$ 165.7	\$ 165.7	\$ 82.9	\$ 82.9	\$ -	\$ -	\$ -
Hospital Supplemental Payments								
MATF	UMASS Supplemental Payment	\$ 125.0	\$ -	\$ -	\$ -	\$ 125.0	\$ 62.5	\$ 62.5
MATF	BMC Supplemental Payments and CPE	\$ 64.0	\$ 64.0 7	\$ 32.0	\$ 32.0	\$ -	\$ -	\$ -
MATF	CHA Supplemental Payments and CPE	\$ 148.0	\$ 125.5 7	\$ 62.8	\$ 62.8	\$ 22.5	\$ 11.3	\$ 11.3
	Subtotal Hospital Supps	\$ 337.0	\$ 189.5	\$ 94.8	\$ 94.8	\$ 147.5	\$ 73.8	\$ 73.8
Health Care Reform Spending								
CCTF	Premium Assistance	\$ 160.0	\$ 160.0 8	\$ 80.0	\$ 80.0	\$ -	\$ -	\$ -
CCTF	Medicaid rate increases for hospitals and physicians	\$ 90.0	\$ -	\$ -	\$ -	\$ 90.0	\$ 45.0	\$ 45.0
CCTF	Essential Public Service Safety Net Hospital Payments	\$ 200.0	\$ 200.0 9	\$ 100.0	\$ 100.0	\$ -	\$ -	\$ -
CCTF	Commonwealth Insurance Connector Administration & Marketing	\$ 25.0	\$ -	\$ -	\$ -	\$ 25.0	\$ -	\$ -
CCTF	Administrative A&F Reserve	\$ 10.0	\$ -	\$ -	\$ -	\$ 7.0	\$ 3.5	\$ 3.5
GF	Costs Not Otherwise Matchable (CNOM)	\$ 385.0	\$ 385.0 10	\$ 192.5	\$ 192.5	\$ -	\$ -	\$ -
GF	MassHealth: MCO Rate Increases	\$ 87.0	\$ -	\$ -	\$ -	\$ 87.0	\$ 43.5	\$ 43.5
GF	MassHealth: Expansion of children to 300% FPL	\$ 38.9	\$ -	\$ -	\$ -	\$ 38.9	\$ 19.4	\$ 19.4
GF	MassHealth: Increase Essential Cap to 60,000	\$ 78.7	\$ -	\$ -	\$ -	\$ 78.7	\$ 39.4	\$ 39.4
HCSTF	Smoking Cessation	\$ 7.0	\$ -	\$ -	\$ -	\$ 7.0	\$ 3.5	\$ 3.5
	Subtotal Health Care Reform	\$ 1,074.6	\$ 745.0 #	\$ 372.5	\$ 372.5	\$ 333.6	\$ 154.3	\$ 154.3

Key

GF = General Fund
 HSNTF = Health Safety Net Trust Fund
 MATF = Medical Assistance Trust Fund
 CCTF = Commonwealth Care Trust Fund
 HCSTF = Health Care Security Trust Fund

Total SNCP Spending \$ 1,344.5 \$ 672.3 \$ 672.3
 Variance to Cap \$ -

FY05 MCO Supps	\$ 770.0
FY05 DSH Cap	\$ 574.5
SNCP Cap	\$ 1,344.5

Payment Methodologies

#	Methodologies
1	Uncompensated Care Safety Net Payment
2	Safety Net Care Payment for State-Owned Non-Acute Hospitals Operated by the Department of Mental Health
3	Safety Net Care Payment for State-Owned Non-Acute Hospitals Operated by the Department of Public Health
4	Safety Net Care Payment for Inpatient Services, Safety Net Care Payment for Administrative Days, and Safety Net Care Payment for Inpatient Services at Community-based Detoxification Centers
5	Pediatric Specialty Hospital and Hospitals with Pediatric Specialty Units Payments, and Safety Net Care Payment for Pediatric Non-Acute Hospitals
6	High Public Payer Hospitals
7	Public Service Hospital Safety Net Care Payment and Certified Public Expenditures
8	Commonwealth Care Health Insurance Program premium assistance payments
9	Section 122 Safety Net Hospital Payments
10	Costs Not Otherwise Matchable (CNOM)

Commonwealth of Massachusetts
Detailed Total Sources and Uses

Massachusetts' Health Care Reform Funds Flow
Massachusetts State Match at 50%
SFY2007 Projections (in millions)

<u>Sources of Funds</u>	SNCP	Medicaid	Other	Total
A Federal Financial Participation	\$ 670.1	\$ 393.6	\$ 29.9	\$ 1,093.7
<i>Non-Federal Revenues</i>				
B Costs Not Otherwise Matchable (CNOM)	\$ 385.0	\$ -	\$ -	\$ 385.0
B Mass. General Fund and Other State Funds	\$ 93.3	\$ 281.0	\$ 21.3	\$ 395.7
C Hospital Assessment	\$ 98.0	\$ 57.6	\$ 4.4	\$ 160.0
D Insurance Surcharge	\$ 98.0	\$ 57.6	\$ 4.4	\$ 160.0
Total Sources	\$ 1,344.5	\$ 789.8	\$ 60.0	\$ 2,194.3
<u>Uses of Funds</u>				
<i>Commonwealth Care Trust Fund</i>				
1 Premium Assistance	\$ 160.0	\$ -	\$ -	\$ 160.0
2 Hospital and Physician Medicaid Rate Increases	\$ -	\$ 90.0	\$ -	\$ 90.0
3 Safety Net Hospital Block Grants	\$ 200.0	\$ -	\$ -	\$ 200.0
<i>UCP/Health Safety Net Trust Fund</i>				
4 Uncompensated Care Pool Payments to Hospitals	\$ 244.3	\$ 305.7	\$ -	\$ 550.0
5 Uncompensated Care Pool Payments to Community Health Centers	\$ -	\$ -	\$ 56.0	\$ 56.0
6 Uncompensated Care Pool Demonstration Projects	\$ -	\$ -	\$ 4.0	\$ 4.0
<i>Medical Assistance Trust Fund</i>				
7 Hospital Supplemental Payment to BMC	\$ 64.0	\$ -	\$ -	\$ 64.0
7 Hospital Supplemental Payment to CHA	\$ 125.5	\$ 22.5	\$ -	\$ 148.0
7 Hospital Supplemental Payment to UMMHC, Inc.	\$ -	\$ 125.0	\$ -	\$ 125.0
<i>Other MassHealth Spending</i>				
8 MassHealth: MCO Rate Increases	\$ -	\$ 87.0	\$ -	\$ 87.0
9 MassHealth: Expansion of children to 300% FPL	\$ -	\$ 38.9	\$ -	\$ 38.9
10 MassHealth: Increase Essential Cap to 60,000	\$ -	\$ 78.7	\$ -	\$ 78.7
11 Smoking Cessation	\$ -	\$ 7.0	\$ -	\$ 7.0
12 DMH DSH Payments	\$ 102.0	\$ -	\$ -	\$ 102.0
13 DPH DSH Payments	\$ 28.0	\$ -	\$ -	\$ 28.0
14 Institutes for Mental Disease (IMDs) Payments	\$ 14.0	\$ -	\$ -	\$ 14.0
15 Pediatric DSH Payments	\$ 10.0	\$ -	\$ -	\$ 10.0
16 63% Basic/High Public Payer DSH Payments	\$ 11.7	\$ -	\$ -	\$ 11.7
<i>Other Non-MassHealth Spending</i>				
17 Commonwealth Insurance Connector Administration & Marketing		\$ 25.0		\$ 25.0
18 Administrative A&F Reserve	\$ -	\$ 10.0		\$ 10.0
19 Costs Not Otherwise Matchable (CNOM)	\$ 385.0	\$ -	\$ -	\$ 385.0
Total Uses	\$ 1,344.5	\$ 789.8	\$ 60.0	\$ 2,194.3
FY2007 Balance	\$ -	\$ -	\$ -	\$ -

