



# Executive Office of Health & Human Services

---

**Governor Baker's FY2023 Budget Proposal**  
January 26, 2022



# Secretariat FY23 Budget: Spending Summary

	FY22 H.1	FY22 GAA	FY22 Est. Spending	FY23 H.2 Rec.	H.2 vs. GAA	
Exec Office of Health and Human Services	363,583,506	397,358,508	417,124,947	<b>418,298,818</b>	20,940,310	5%
Chapter 257 Rates	79,000,000	79,000,000	39,400,000	<b>230,000,000</b>	151,000,000	191%
Department of Elder Affairs	594,267,814	628,075,182	640,772,545	<b>671,905,704</b>	43,830,522	7%
Department of Public Health	707,073,077	819,954,348	873,239,315	<b>808,720,263</b>	(11,234,085)	-1%
Department of Children and Families	1,087,728,623	1,103,929,461	1,163,534,089	<b>1,190,611,726</b>	86,682,265	8%
Department of Veterans' Services	94,941,935	97,317,136	97,698,385	<b>93,479,343</b>	(3,837,793)	-4%
Holyoke Soldiers' Home	27,129,371	28,329,371	30,227,396	<b>29,734,881</b>	1,405,510	5%
Chelsea Soldiers' Home	36,100,637	36,100,637	37,690,078	<b>49,295,994</b>	13,195,357	37%
Department of Transitional Assistance	728,584,459	788,128,590	828,253,937	<b>831,382,597</b>	43,254,007	5%
Department of Developmental Services	2,259,925,738	2,290,850,736	2,351,688,347	<b>2,366,441,481</b>	75,590,745	3%
Department of Mental Health	943,855,259	951,956,760	984,863,479	<b>985,958,859</b>	34,002,099	4%
Department of Youth Services	169,071,211	169,571,211	176,194,539	<b>175,757,197</b>	6,185,986	4%
Massachusetts Rehabilitation Commission	67,560,692	70,785,342	72,475,109	<b>77,958,787</b>	7,173,445	10%
Massachusetts Commission for the Blind	25,631,259	28,282,324	29,470,197	<b>27,005,903</b>	(1,276,421)	-5%
Commission for Deaf and Hard of Hearing	7,194,951	7,194,951	8,448,892	<b>8,579,332</b>	1,384,381	19%
Office of Refugees and Immigrants	1,026,574	2,100,000	2,105,624	<b>1,033,019</b>	(1,066,981)	-51%
<b>Subtotal (non-MassHealth)</b>	<b>7,192,675,106</b>	<b>7,498,934,557</b>	<b>7,753,186,879</b>	<b>7,966,163,905</b>	<b>467,229,348</b>	<b>6%</b>
MassHealth Programmatic	17,568,892,353	18,986,175,377	19,667,917,715	<b>17,810,621,680</b>	(1,175,553,697)	-6%
<b>Subtotal (w/ MassHealth)</b>	<b>24,761,567,459</b>	<b>26,485,109,934</b>	<b>27,421,104,594</b>	<b>25,776,785,585</b>	<b>(708,324,349)</b>	<b>-3%</b>
MassHealth Hospital Supplemental Payments	627,642,050	642,528,589	922,629,156	<b>667,309,276</b>	24,780,687	4%
<b>Total</b>	<b>25,389,209,509</b>	<b>27,127,638,523</b>	<b>28,343,733,750</b>	<b>26,444,094,861</b>	<b>(683,543,662)</b>	<b>-3%</b>



# FY23 House 2 – Across the Secretariat

## House 2 (H.2) Budget

- H.2 funds EOHHS at \$25.749 B, a \$736 M (-3%) decrease below the FY22 GAA, excluding supplemental payments to hospitals. Excluding MassHealth, EOHHS is funded at \$7.939 B, a \$440 M (+6%) increase above the FY22 GAA.
- EOHHS departments comprise approximately 55% of the total FY22 state budget.

	FY22 GAA	FY23 H.2	H.2 vs FY22 GAA	% increase
HHS Total	26,656,280,684	25,868,195,761	(788,084,923)	-3%
Commonwealth Total	48,226,876,306	48,481,438,022	254,561,716	1%
HHS as % of Total	55%	53%		



# FY23 H.2 – Across the Secretariat

## House 2 Budget

H.2 funds EOHHS at \$25.749 B, a \$736 M (-3%) decrease below the FY22 GAA, excluding supplemental payments to hospitals. Excluding MassHealth, EOHHS is funded at \$7.939 B, a \$440 M (+6%) increase above the FY22 GAA.

## H.2 Budget Highlights

- \$230 M in funding for Chapter 257 rates
- Maintains sustainability of the MassHealth program without reducing benefits and incorporates anticipated end of the federal Public Health Emergency
- Implements major components of the Roadmap for Behavioral Health Reform, including a 24/7 Behavioral Health Help Line available to all residents, providing real-time access to a clinical assessment and mobile crisis intervention when needed
- Expands eligibility for the Medicare Savings Program to dramatically reduce health care costs and promote economic security for ~35k low-income older adults
- Fully funds Turning 22 classes at DDS and other disability agencies, and maintains funding for the American Sign Language Vlogs at MCD and EHS
- Increases funding for TAFDC and EAEDC benefits at DTA to support projected caseload increases, which are driven by the elimination of asset limits and increase of the TAFDC benefit amount
- Maintains support for the Commonwealth's veterans and makes critical staffing and infrastructure investments at the Chelsea and Holyoke Soldiers' Homes
- Increases flexibility around caseload costs given uncertain impacts of the COVID-19 pandemic on individual programs and services



# Behavioral Health Roadmap: Ensuring the *right* treatment *when* and *where* people need it

- Today, too many people struggle to find the right type of behavioral health treatment and clinical provider that accepts their insurance. Too often hospital emergency rooms are the entry point into seeking behavioral health treatment. These longstanding challenges have been exacerbated by the pandemic.
- The Baker-Polito Administration is implementing critical health system reforms through the Roadmap for Behavioral Health Reform:
  - A Behavioral Health Help Line, available 24/7 to all residents of the Commonwealth, to provide live support, clinical assessment, and connection to the right mental health and addiction treatment in real time
    - › This help line will connect people with a provider before there is a mental health emergency, for an assessment and appointment
    - › The help line will deploy 24/7 mobile crisis intervention when needed, through trained community behavioral health providers located across the state
  - Readily available outpatient evaluation and treatment
    - › Increased availability of mental health and addiction services available through primary care, supported by new reimbursement incentives
    - › Same-day evaluation and referral to treatment, evening/weekend hours, timely follow-up appointments, and evidence-based treatment in person and via telehealth at designated Community Behavioral Health Centers (CBHCs) throughout the Commonwealth
  - Better, more convenient community-based alternatives to the emergency department for urgent and crisis intervention services
    - › Urgent care for behavioral health at CBHCs and other community provider locations
    - › A stronger system of 24/7 community and mobile crisis intervention
  - A focus on advancing health equity by meeting the diverse cultural and linguistic needs of individuals and families in all communities throughout the Commonwealth





# Executive Office (EOHHS)

## House 2 Budget

H.2 funds EHS at \$408.9 M, a \$11.6 M (+3%) increase above the FY22 GAA, in addition to \$230 M in the Chapter 257 reserve.

## H.2 Budget Highlights

- Chapter 257 reserve funding supports human service providers' ability to hire and retain quality direct care and clinical staff by using an updated rate methodology benchmarking wages to the Bureau of Labor Statistics median salary and makes direct investments in Adult Long-Term Residential Services
  - › Since 2015, the Administration will have invested \$815.5 M towards supporting Chapter 257 rate increases
- Includes \$1 M for Nursing and Allied Health Workforce Development, an increase of \$650 K (+186%)
- Provides \$11.6 M for the Safe and Successful Youth Initiative, an increase of \$925 K (+9%)
- Supports \$166.7 M for HHS IT, an increase of \$23.3 M (+16%):
  - › \$9 M for the rolling refresh of devices replaced as part of the multi-year desktop modernization project
  - › \$2 M for the rolling refresh of infrastructure (like routers, switches, and uninterruptible power supplies) that allows for connectivity from offices to the network and the internet
  - › \$2 M for providing connectivity at various sites, such as Wi-Fi in offices and SD/Wan at group homes and court clinics
  - › \$4 M for enhanced operations of applications that support EOHHS and Commonwealth business needs, including Master Data Management (MDM), which was instrumental in supporting COVID reporting, and Electronic Document Management (EDM), the solution used by EHS to electronically store client documentation
- Maintains \$14.2 M for the Health Information Technology Trust Fund, which includes the state share of the HIX operating and maintenance costs



# Department of Mental Health (DMH)

## Agency Summary

DMH provides clinical treatment and supportive services to meet the needs of individuals with serious mental illness of all ages, enabling them to live, work and participate in their communities. DMH provides community-based and continuing care inpatient services for approximately 21,000 individuals throughout Massachusetts.

## House 2 Budget

H.2 funds DMH at \$986.0 M, a \$34.0 M (+4%) increase above the FY22 GAA

## H.2 Budget Highlights

- Transfers \$10 M from HHS to DMH to mitigate emergency room boarding of adults and adolescents, and stabilize patients in crisis:
  - DMH is actively working with its hospital and community provider partners across the state to expand an innovative service model, known as Hospital Emergency Department Diversion Program, that moves individuals experiencing behavioral health crisis out of emergency departments and gets them the treatment they need from the comfort of their own homes, regardless of health insurance coverage
  - Since the program's launch in March 2021, DMH has successfully served over 130 youth and 270 adults
- Includes full year cost of the new 75-bed Men's Recovery from Addictions Program (MRAP) (Section 35) at Taunton, adding to the 45 beds at the women's program (WRAP) started in 2016



# Department of Developmental Services (DDS)

## Agency Summary

DDS supports opportunities for individuals with intellectual and developmental disabilities, Autism, and acquired brain injuries to contribute meaningfully in their communities. In FY22, over 41,000 adults and children were enrolled in DDS services and supports. DDS contracts with over 231 provider agencies to operate day programs, employment supports, family assistance, and residential services that provide 24/7 care to over 8,000 individuals at 2,200+ group homes. In addition, DDS operates a state network that includes 2 facilities and 257 state-operated homes.

## House 2 Budget

H.2 funds DDS at \$2.37 B, a \$75.6 M (+3%) increase above the FY22 GAA

## H.2 Budget Highlights

- For the sixth consecutive year, H.2 fully funds the Turning 22 class of 1,284 new members in FY23
- Supports full-year rate increases (annualized cost of \$23.0 M) for Community-Based Day Supports and Supported Employment and associated redesign efforts to increase options for families and support more meaningful community-based models of care – the first increase in this rate since 2012
- Respite Family Supports (5920-3000) is funded at \$90.6 M, a \$5.8 M (+7%) increase over FY22 GAA. In FY22, 20,000 families received Family Support assistance to help manage the care of a loved one.
- Maintains investment in the Department's *Technology Forward* initiative to provide new services (assistive technology and remote supports & monitoring) to improve care and promote independence





# Department of Children and Families (DCF)

## Agency Summary

DCF protects children from abuse and neglect and ensures child safety. DCF serves approximately 47,000 children at any given time, primarily children ages 0-17, and youth ages 18-21 previously involved with the Department.

## House 2 Budget

H.2 funds DCF at \$1.191 B, a \$86.7 M (+8%) increase above the FY22 GAA.

## H.2 Budget Highlights

- Since 2015, DCF funding has increased by \$346.2 M (+42%); staffing has increased by 617 (+21%) social workers and 275 (+53%) administrative and oversight positions – and maintains commitment to continue DCF's progress towards a 15:1 weighted caseload ratio and providing clinical support and oversight to DCF social workers.
- \$29.9 M for projected annualization and caseload of the new Congregate Care Network (CCNET). Designed to achieve safety, permanency, and well-being outcomes for 2,000 DCF-involved children, adolescents, and young adults. The new network will also align DCF services with requirements in the federal Family First Prevention Services Act of 2018.
- \$13.4 M to increase departmental foster care rates by 10%, increase supplemental Parents and Children Together (PACT) rates by 33%, and funding to support foster parent recruitment incentives.
- \$5.5 million across the Department of Children and Families (DCF) and EEC to increase enrollment of DCF-involved children in child care and expand a temporary childcare program to reach more children and provide additional wraparound services



# Department of Transitional Assistance (DTA)

## Agency Summary

DTA assists and empowers low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. DTA works with individuals and families to provide services through a combination of federal and state-funded programs with the ultimate goal of achieving economic mobility for DTA clients. DTA serves one out of every eight people in the Commonwealth – including working families, children, elders, and people with disabilities.

## House 2 Budget

H.2 funds DTA at \$830.6 M, a \$42.5 M (+5%) increase above the FY22 GAA

## H.2 Budget Highlights

- Supports a projected 18% caseload increase in TAFDC vs. pre-pandemic levels. Factors related to the increase in caseload:
  - › End of federal Pandemic Unemployment Assistance (PUA) in September 2021
  - › Elimination of asset limits in determining eligibility for TAFDC and EAEDC
  - › An increase in clients due to increased benefit/eligibility levels
  - › Behavioral changes associated with these policy changes
- Supports a \$1.5 M increase for rest home rates
- Funds the Healthy Incentives Program (HIP) at \$5 M, level to FY22 H.1, with a PAC of \$8 M, to maintain FY22 funding and service levels
- Includes \$9 million to provide childcare subsidy access for individuals participating in SNAP Employment and Training programming, which will better position recently employed individuals to fully re-engage and participate in the workforce



# Executive Office of Elder Affairs (EOEA)

## Agency Summary

EOEA promotes the independence, empowerment, and well-being of older adults and their caregivers. EOEA's strategic goals include supporting aging in community; preparing for evolving demographic trends; empowering healthy aging; preventing injury, violence, and exploitation; strengthening "no wrong door" access to services; and ensuring quality, value, and person-centered care.

## House 2 Budget

H.2 funds ELD at \$671.9 M, a \$43.8 M (+7%) increase above the FY22 GAA.

## H.2 Budget Highlights

- Elder Nutrition Services rate increase from \$6.24 per meal to \$7.39 – last increased several years ago
  - › The Senior Nutrition Program provides over 10 million meals annually to older adults in MA, and during COVID, the program was able to pivot to adapt to offer contact-free and "grab and go" options, ensuring that consumers could safely receive nutritious meals
- Maintains funding level for Grants to Local Councils on Aging at \$12 per older adult – H.2 includes a \$5.3 M increase for the estimated impact of the 2020 Census
- Funds increases to the Chapter 257 rates for a variety of case management services, including \$8.1M increase to the Home Care Basic Case Management rate and \$3.9M for the Enhanced Community Options Program Case Management rate, among others.
- Funds \$5.7M increase to the Community Choices Case Management rate.



# Department of Public Health (DPH)

## Agency Summary

The Department of Public Health works to keep residents of the Commonwealth healthy and communities strong. DPH promotes the health and well-being of all Massachusetts residents by ensuring access to high-quality public health and healthcare services using a data-driven approach to focus on prevention, wellness, and health equity in all people. DPH also regulates, licenses, and provides oversight of a wide range of healthcare-related professions and services.

## House 2 Budget

H.2 funds DPH at \$808.7 M, a \$11.2 M (-1%) decrease below the FY22 GAA

## H.2 Budget Highlights

- H.2 consolidates 50 state appropriations into 25 for ease of administration and budgeting purposes, as well as increased fiscal flexibility to manage public health crises.
- Supports necessary clinical and facility staffing levels at the Public Health Hospitals
- Increases funding for Women, Infant, and Children Nutrition Services by \$1.2 M to provide Growth and Nutrition Program services to an additional 600 children (100% caseload increase)
- Includes \$10 M for Grants to Local Boards of Health, including centralized supports at DPH
- Maintains \$2.9 M FY22 GAA expansion for Pediatric Palliative Care Network to serve an additional 792 children
- Maintains \$2.8 M FY22 GAA expansion for HIV/AIDS Treatment and Prevention Services to support additional syringe disposal kiosks throughout Commonwealth as well as covering out-of-pocket costs for consumers to purchase anti-viral drugs for AIDS prevention



# Department of Youth Services (DYS)

## Agency Summary

DYS improves life outcomes for youth in care through investment in qualified staff and a service continuum that engages youth, families and communities in strategies that support positive youth development. As the juvenile justice agency, DYS provides a comprehensive and coordinated program of delinquency prevention and services to youth committed to its care or custody by the Juvenile Courts.

## House 2 Budget

H.2 funds DYS at \$175.8 M, a \$6.2 M (+4%) increase above FY22 GAA

## H.2 Budget Highlights

- Continues investments in COVID-19 safety and prevention measures as well as racial equity and inclusion priorities through workforce training and development to promote positive youth outcomes
- Allows DYS to operate the same number of programs and breadth of services for youth, including investments in vocational education opportunities
- Supports stable caseload projections – caseload has remained flat through FY21 and the first half of FY22 (historically, the committed population has seen a steady decline while the detained caseload has been relatively static)





# Massachusetts Rehabilitation Commission (MRC)

## Agency Summary

MRC promotes equality, empowerment and independence of individuals with disabilities by providing comprehensive services to help individuals maximize their quality of life and economic self-sufficiency in the community. These goals are achieved through enhancing and encouraging personal choice and the right to succeed or fail in the pursuit of independence and employment.

## House 2 Budget

H.2 funds MRC at \$78.0 M, a \$7.2 M (+10%) increase above the FY22 GAA.

## H.2 Budget Highlights

- \$4.6 M to transfer the DMH Workforce Initiative to MRC on a permanent basis
- \$1.3 M for standard payroll increases and provider rate annualization costs
- \$1.0 M to support changes in population needs, including additional supports to Independent Living Assistance consumers with progressive and severe disabilities, Home Care Assistance Program for consumers with progressive disabilities or multiple medical conditions, and individuals with traumatic brain injuries through the Statewide Head Injury Program (SHIP)
- \$300 K to fully fund Turning 22



# Massachusetts Commission for the Blind (MCB)

## Agency Summary

MCB provides the highest quality rehabilitation and social services to individuals who are blind, leading to independence and full community participation.

## House 2 Budget

H.2 funds MCB at \$27.0 M, a \$1.3 M (-5%) decrease below the FY22 GAA.

## H.2 Budget Highlights

- Supports full funding for Turning 22 (Deaf-Blind Extended Supports) consumers
- Note: decrease vs. FY22 GAA is due to backing out earmarks, only partially offset by maintenance growth like annualizing chapter 257 rates



# Massachusetts Commission for the Deaf & Hard of Hearing (MCDHH)

## Agency Summary

MCDHH provides accessible communication, education and advocacy to consumers and private and public entities, where a vision of universal access becomes the standard for Deaf and hard of hearing people to fully participate in all areas of life.

## House 2 Budget

H.2 funds MCDHH at \$8.6 M, a \$1.4 M (+19%) increase above the FY22 GAA.

## H.2 Budget Highlights

- Primarily standard payroll and other maintenance increases
- Adds \$266 K for client referral software and other IT needs and \$148 K for increased in-house and client services as demand for ASL interpreters, Communication Access Realtime Translation (CART), and vlogs have grown
- Includes a new chargeback account (ceiling set at \$6 M per fiscal year) to centralize contracted ASL interpretation services billing at HHS facilitating on-time payments for interpreters and expanding services



# Department of Veterans' Services (VET)

## Agency Summary

VET supports annuity benefits to Gold Star families, transitional services and outreach to veterans, operates two veterans' cemeteries and acts as liaison on behalf of veterans seeking assistance from the Federal Veterans' Administration. Through the municipal veterans' agencies, Veterans' Services Officers (VSO) administers the need-based veterans benefits program (M.G.L. Chapter 115).

## House 2 Budget

H.2 funds VET at \$93.5 M, a \$3.9 M (-4%) decrease below the FY22 GAA.

## H.2 Budget Highlights

- Annualizes GAA expansions, fully funds core services, and incorporates standard payroll increases
- Includes continued funding for expansion of the women's veterans outreach programs
- Note: decrease vs. FY22 GAA is solely due to reduced need for reimbursements to municipalities (paid in arrears)



# Soldiers' Home in Chelsea

## Agency Summary

The Soldiers' Home in Chelsea operates a VA and CMS certified 189 bed long-term care and skilled nursing facility that include services for Veterans with cognitive and physical impairment along with 305 beds in an independent living/domiciliary service.

## House 2 Budget

H.2 funds CHE at \$48.7 M, a \$12.6 M (+35%) increase above the FY22 GAA

## H.2 Budget Highlights

- New state-of-the-art facility on track to open in Fall 2022:
  - Will provide 154 long-term care beds for veterans, all with private bed and bathrooms as part of 14-bed "homes" which have community living room, dining room, and kitchen
  - Includes a large increase in the footprint, new configuration, and new patient-centered staffing model that requires a significant investment across the facility in clinical, facilities, dietary, and housekeeping staff
  - Moving from serving only traditional long term care residents to also being a Certified Dementia care facility and adding a Sub Acute neighborhood, which will require higher staffing ratios and additional services (Physical Therapy, Occupational Therapy, Speech Therapy, Respiratory Therapy, Certified Dementia Nurse)





# Soldiers' Home in Holyoke

## Agency Summary

The Soldiers' Home in Holyoke operates a long-term care facility which includes long-term care beds, dementia units, comfort care services along with 30 beds in a domiciliary service.

## House 2 Budget

H.2 funds HLY at \$29.1 M, a \$819 K (+3%) increase above the FY22 GAA

## H.2 Budget Highlights

- Annualizes investments supporting infection control protocols and updated staffing formula
- Provides necessary funds for interim investments before new building's expected FY26 opening



# Office of Refugees and Immigrants (ORI)

## Agency Summary

ORI promotes the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts. Primarily funded through the federal Office of Refugee Resettlement, ORI administers the refugee resettlement program, which includes refugee cash and medical assistance, case management, employment services, English language training, and foster care for unaccompanied minors.

## House 2 Budget

H.2 funds ORI at \$1.0 M, a \$1.1 M (-51%) decrease below the FY22 GAA

## H.2 Budget Highlights

- This funding level supports ORI's state-funded citizen assistance program for refugees and immigrants residing in the Commonwealth
- ORI expects to provide services to over 1,700 refugees and immigrants through grants to the agency's 24 partner organizations
- Eliminates GAA expansion and earmarks – "ARPA 1.0" has allocated \$20 M for Afghan & Haitian evacuees



# MassHealth

## Agency Summary

MassHealth offers health care coverage to 2.1 million members, including more than 1.6 million low- and moderate-income children, families, and adults, and more than 500,000 people with disabilities and older adults

## Priorities

- Maintaining support for MassHealth members and providers as part of the **Commonwealth's response to the COVID-19 pandemic** (e.g., testing, vaccines, telehealth, provider support)
- Ensuring comprehensive, high quality, equitable, and affordable **coverage for all members**, including expanding access to **affordable health coverage for older adults**
- Continuing implementation of **MassHealth's delivery system restructuring via the 1115 waiver renewal for 2022-2027**, with a focus on accountable care, health equity, and sustainability of the Commonwealth's safety net
  - › Waiver renewal was submitted to CMS in December 2021 and will be negotiated during the spring/summer of 2022 (current 1115 expires June 30, 2022)
- **Reducing prescription drug prices** through direct negotiations with drug manufacturers, and holding drug companies accountable for unjustified price increases
- **Expanding access to mental health and addiction treatment services** through the Administration's *Roadmap for Behavioral Health Reform*
- Supporting the **strengthening of home and community-based services** and behavioral health services with enhanced funding through the American Rescue Plan Act (ARPA)
- **Right-sizing caseload** once federal maintenance of Medicaid coverage ends and routine redeterminations resume



# MassHealth

## H.2 Budget Overview:

MassHealth's programmatic budget is funded at \$17.811 B gross / \$7.169 B net, a -\$1.837 B (-9.4%) gross / +\$293 M (+4.0%) net change compared to FY22 estimated spending. In addition, H.2 includes \$667 M for supplemental payments for hospitals through MATF and the Safety Net Provider Trust Fund.

## H.2 Budget Highlights:

- Supports a sustainable MassHealth program that maintains all eligibility and benefits
  - H.2 continues to manage the growth of MassHealth spending (down from double-digit growth in 2015) while managing the fiscal cliff resulting from the sunset of enhanced FMAP during the federal Public Health Emergency
- Significantly expands investments in hospital services for MassHealth members, preserves critical payments to safety net hospitals, and ensures ongoing sustainability for all hospitals
  - Proposed hospital assessment and funding package has been endorsed by all MHA hospitals; EOHHS is currently working closely with CMS to ensure efficient approval
- Addresses longstanding behavioral health challenges exacerbated by the pandemic
  - Invests \$115 M for reforms to expand access to outpatient and urgent behavioral health services and connect people with the treatment they need, when and where they need it
  - Extends the SUD Trust and increases funding to address the opioid epidemic



# MassHealth – Medicare Savings Plan Expansion

Medicare Savings Plans are federal programs that help low-income older adults pay for Medicare costs through federal Medicare Part D subsidies (MSP participants automatically qualify) and Medicaid premium and cost sharing assistance.

**H.2 proposes to increase the MSP income limit (currently at 165% FPL) to 200% FPL effective January 1, 2023, dramatically reducing health care costs and promote economic security for ~35k low-income older adults.**

Reduces eligible older adults’ out-of-pocket costs by thousands of dollars per year and mitigates health care cost “cliffs” for low-income older adults (Medicare premiums are increasing 14% in CY2022)

State investment of \$41 M net annually (\$21 M in FY23) will leverage \$200 M+ in federal Medicare Part D subsidies going directly to older adults and disabled individuals

Increase in MSP spending is partially offset by savings to EOEAs’ Prescription Advantage Program and Health Safety Net (HSN) – consistent with current practice, proposal authorizes transfers up to the amount of savings realized in these programs

\$ M	Annual		FY23 (6 months, eff. 1/1/23)	
	Gross	Net	Gross	Net
MassHealth cost	106.5	49.3	53.3	24.6
HSN offset		(7.2)		(3.6)
Rx Advantage offset		(1.1)		(0.6)
<b>Total Budget Impact</b>	<b>106.5</b>	<b>41.0</b>	<b>53.3</b>	<b>20.5</b>
<i>Federal Rx Benefit</i>		200.7		100.3