

Health Safety Net Annual Report



Fiscal Year 2016
December 1, 2016

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Introduction

The Executive Office of Health and Human Services (EOHHS) hereby submits this report to the Massachusetts Legislature in compliance with Chapter 133 of the Acts of 2016, Line Item 4000-0300, which calls for EOHHS to report on the utilization of the Health Safety Net Trust Fund, including:

- The number of persons whose medical expenses were billed to the Health Safety Net Trust Fund in fiscal year 2016.
- The total dollar amount billed to the Health Safety Net Trust Fund in fiscal year 2016.
- The age, income level, and insurance status of recipients using the Health Safety Net Trust Fund.
- The types of services paid for out of the Health Safety Net Trust Fund in fiscal year 2016.
- The amount disbursed from the Health Safety Net Trust Fund to each hospital and community health center.

This report reflects Health Safety Net (HSN) utilization during HSN fiscal year 2016 (HSN16), which ran from October 1, 2015 through September 30, 2016.



HSN Overview

- The Health Safety Net (HSN), created by Chapter 58 of the Acts of 2006, makes payments to hospitals and community health centers for health care services provided to low-income Massachusetts residents who are uninsured or underinsured.
- Massachusetts residents who are uninsured or underinsured and have incomes up to 150% of the Federal Poverty Level (FPL) may qualify for HSN primary or HSN secondary. If residents have incomes above 150% and up to 300% of the FPL, they may qualify for primary partial HSN or partial HSN secondary, which includes a sliding scale deductible based on income. Low income residents who are enrolled in MassHealth, ConnectorCare, or other insurance may qualify for HSN secondary for certain services not covered by their primary insurance.
- The HSN pays acute hospitals and community health centers based on claims, which are adjudicated to verify that the patient qualifies and the services are eligible for payment. HSN payment rates for most services are based on Medicare payment principles.
- HSN16 funding included the following sources: An assessment on acute hospitals' private sector charges; a surcharge on payments made to hospitals and ambulatory surgical centers by HMOs, insurers, third party administrators, and individuals (assessment and surcharge are each equal to \$160 million plus 50% of the estimated cost of administering the Health Safety Net); and offset funding for uncompensated care from the Medical Assistance Trust Fund (\$70 million). The assessment and surcharge for FY16 were \$165M each.



HSN Restructuring for Sustainability in FY2016

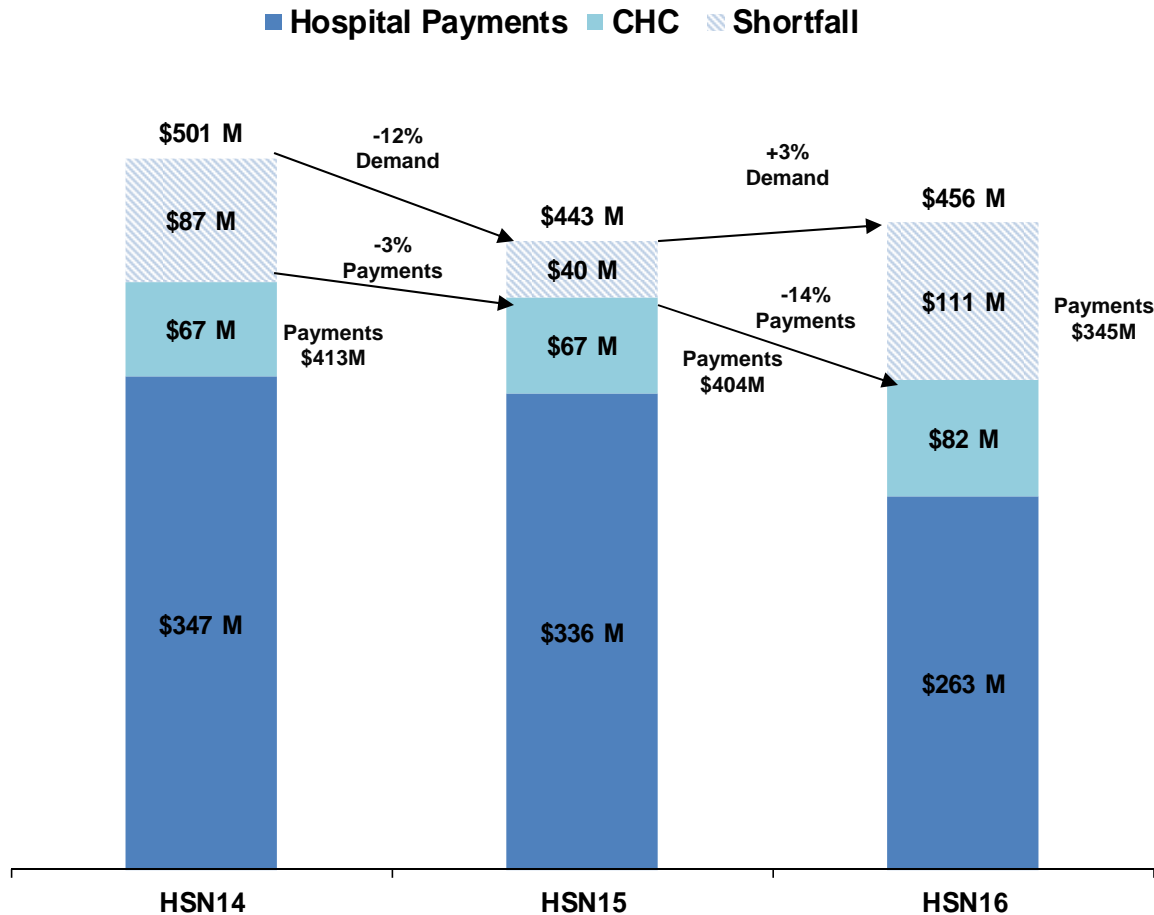
Reflecting the wide availability of affordable insurance and the obligations on individuals to be insured, the HSN began to implement a number of sustainability initiatives in FY2016 to align more closely with other programs and decrease the annual shortfall:

- The HSN began operationalizing its policy of providing up to 100 days of temporary eligibility to patients also eligible for ConnectorCare with minor modifications in April 2016. ConnectorCare members may now qualify for HSN medical and dental services for 10 days retroactive to and up to 90 days after the date of determination, notwithstanding enrollment status. After 100 days, ConnectorCare members qualify for dental services only from the HSN.
- In order to be consistent with MassHealth, the HSN adjusted the availability of retroactive payment for eligible services from six months to 10 days in June 2016.
- In order to be consistent with MassHealth and Health Connector state wrap policies, the HSN adjusted qualifying income levels to 300% FPL (from 400% FPL). HSN Partial now begins at 150% FPL (from 200% FPL), which is also consistent with MassHealth and Health Connector cost-sharing policies.
 - Deductibles are set to match the lowest-cost ConnectorCare premium (\$516 for 2016) unless the regular HSN deductible formula results in a higher deductible amount than the lowest-cost ConnectorCare premium.

As a result of these initiatives, it is expected that there will be a decrease in the HSN shortfall in FY17.



HSN Total Demand and Payment Trends



Demand represents the amount that providers would have been paid in the absence of a funding shortfall.

Health Safety Net fiscal year 2016 (HSN16) demand exceeded HSN16 funding. Hospital providers experienced a \$111 million shortfall during HSN16.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital and community health center payments are reported in the month in which payment was made. The shortfall amount is based on spending assumptions in place during the fiscal year and may differ from year-end shortfall estimates reported elsewhere. Data reflect payment and projected demand levels as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding.

Source: Health Safety Net Payment Calculation as of 10/26/16.



Amount Disbursed to Hospitals from the Health Safety Net Trust Fund (after Shortfall)

HOSPITAL NAME	TOTAL
Anna Jaques Hospital	\$169,494
Athol Memorial Hospital	\$221,456
Baystate Franklin Medical Center	\$712,591
Baystate Mary Lane Hospital	\$36,070
Baystate Medical Center	\$6,188,427
Baystate Wing Hospital	\$946,614
Berkshire Medical Center	\$4,050,508
Beth Israel Deaconess Hospital - Plymouth	\$1,106,595
Beth Israel Deaconess Medical Center	\$3,782,549
Boston Children's Hospital	\$3,850,000
Boston Medical Center	\$96,693,489
Brigham and Womens Faulkner Hospital	\$548,045
Cape Cod Hospital	\$5,285,189
Clinton Hospital	\$244,842
Dana-Farber Cancer Institute	\$2,540,774
Fairview Hospital	\$891,287
Falmouth Hospital	\$1,511,186
Harrington Memorial Hospital	\$1,278,791
Health Alliance Hospital	\$2,049,003
Heywood Hospital	\$1,122,857
Holyoke Medical Center	\$1,233,321
Lawrence General Hospital	\$5,939,819
Lowell General Hospital	\$2,948,618
Marlborough Hospital	\$1,330,463
Martha's Vineyard Hospital	\$1,236,920
Massachusetts Eye and Ear Infirmary	\$962,380
Massachusetts General Hospital	\$14,684,369
Mercy Medical Center	\$2,430,415
MetroWest Medical Center	\$806,472
Morton Hospital, A Steward Family Hospital Inc.	\$1,111,513
Mount Auburn Hospital	\$513,837
Nantucket Cottage Hospital	\$474,048
Nashoba Valley Med Ctr, A Steward Family Hospital	\$310,733
Noble Hospital	\$444,752
North Shore Medical Center	\$6,469,553
Quincy Med Ctr, A Steward Family Hospital Inc.	\$12,638
Saint Vincent Hospital	\$1,918,732
Signature Healthcare Brockton Hospital	\$4,773,863
Southcoast Hospitals Group	\$8,130,168
Steward Carney Hospital	\$2,653,830
Steward Good Samaritan Medical Center	\$4,240,216
Steward Holy Family Hospital	\$2,361,482
Steward Norwood Hospital	\$1,069,886
Steward Saint Anne's Hospital	\$1,929,141
Steward St. Elizabeth's Medical Center	\$2,877,766
Sturdy Memorial Hospital	\$1,704,003
Tufts Medical Center	\$2,008,797
UMass Memorial Medical Center	\$23,429,135
TOTAL	\$231,236,636

This represents the amount disbursed from the Health Safety Net Trust Fund to each hospital during HSN fiscal year 2016.

Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2016 will be paid in subsequent fiscal years.

Notes: This list does not include hospitals that were net payers to the HSN or disbursements to Cambridge Health Alliance (CHA) due to offset funding to CHA for uncompensated care from other sources. The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital payments are reported in the month in which payment was made. The shortfall amount is based on spending assumptions in place during the fiscal year and may differ from year-end shortfall estimates reported elsewhere. Data reflect as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Source: Health Safety Net Payment Calculation as of 10/26/16.



HSN Amount Disbursed to Community Health Centers

Community Health Center	FY2016 Total
Boston Health Care for the Homeless Program	\$1,490,436
Brockton Neighborhood Health Center	\$10,003,510
Caring Health Center, Inc.	\$992,786
Charles River Community Health Center	\$4,499,392
CHP Health Center	\$497,555
Community Health Center of Cape Cod	\$1,444,850
Community Health Center of Franklin County, Inc.	\$432,105
Community Health Connections Family Health Center	\$3,001,667
Dimock Community Health Center	\$1,479,923
Duffy Health Center	\$143,178
Edward M. Kennedy Community Health Center, Inc.	\$7,728,674
Family Health Center of Worcester	\$4,173,619
Fenway Community Health Center	\$929,467
Geiger Gibson Community Health Center	\$426,970
Greater Lawrence Family Health Center, Inc.	\$8,031,914
Greater New Bedford Community Health Center, Inc.	\$3,047,713
Harbor Community Health Center - Hyannis	\$2,584,621
Harvard Street Neighborhood Health Center	\$1,255,484
Health First Family Care Center, Inc.	\$1,570,433
Hilltown Community Health Centers, Inc.	\$279,404
Holyoke Health Center	\$2,940,928
Island Health Care	\$202,318
Lowell Community Health Center	\$3,392,186
Lynn Community Health Center	\$8,369,775
Manet Community Health Center, Inc.	\$644,064
Mattapan Community Health Center	\$498,665
Neponset Health Center	\$523,340
North End Waterfront Health	\$282,516
North Shore Community Health, Inc.	\$2,416,169
Outer Cape Health Services, Inc.	\$1,012,838
South Cove Community Health Center	\$2,768,246
South End Community Health Center	\$1,708,789
Springfield Health Services for the Homeless	\$775
Stanley Street Treatment and Resources (SSTAR)	\$212,217
Upham's Corner Health Center	\$1,170,061
Whittier Street Health Center	\$1,653,625
Total	\$81,810,211

This represents the amount disbursed from the Health Safety Net Trust Fund to each community health center during HSN fiscal year 2016.

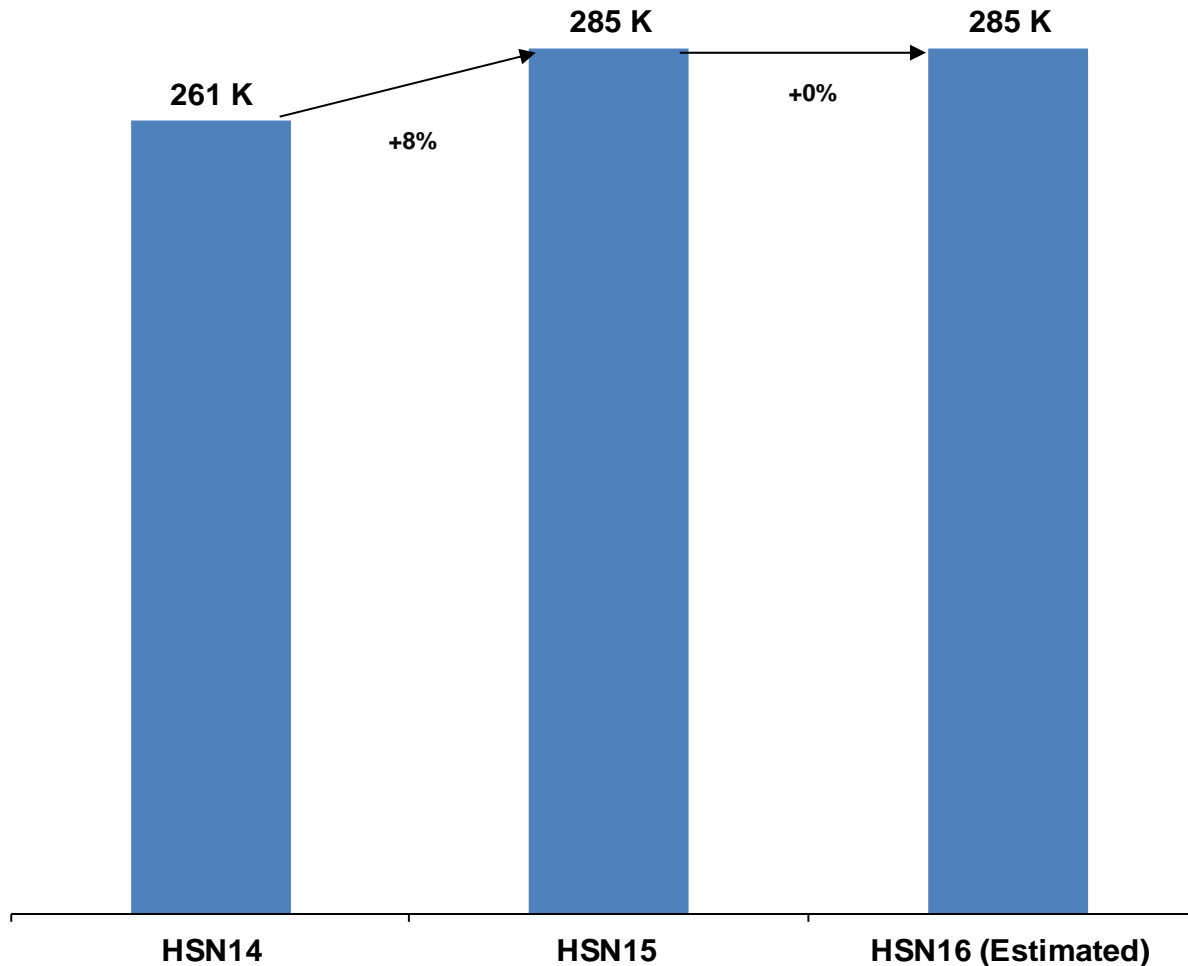
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2016 will be paid in subsequent fiscal years.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Community health center payments are reported in the month in which payment was made. Data reflect payment as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year
Source: Health Safety Net Payment Calculation as of 10/26/16.



HSN Total User Trends



The Health Safety Net (HSN) estimates it will have made payments for medical and dental services provided to 285,000 individuals in HSN16.

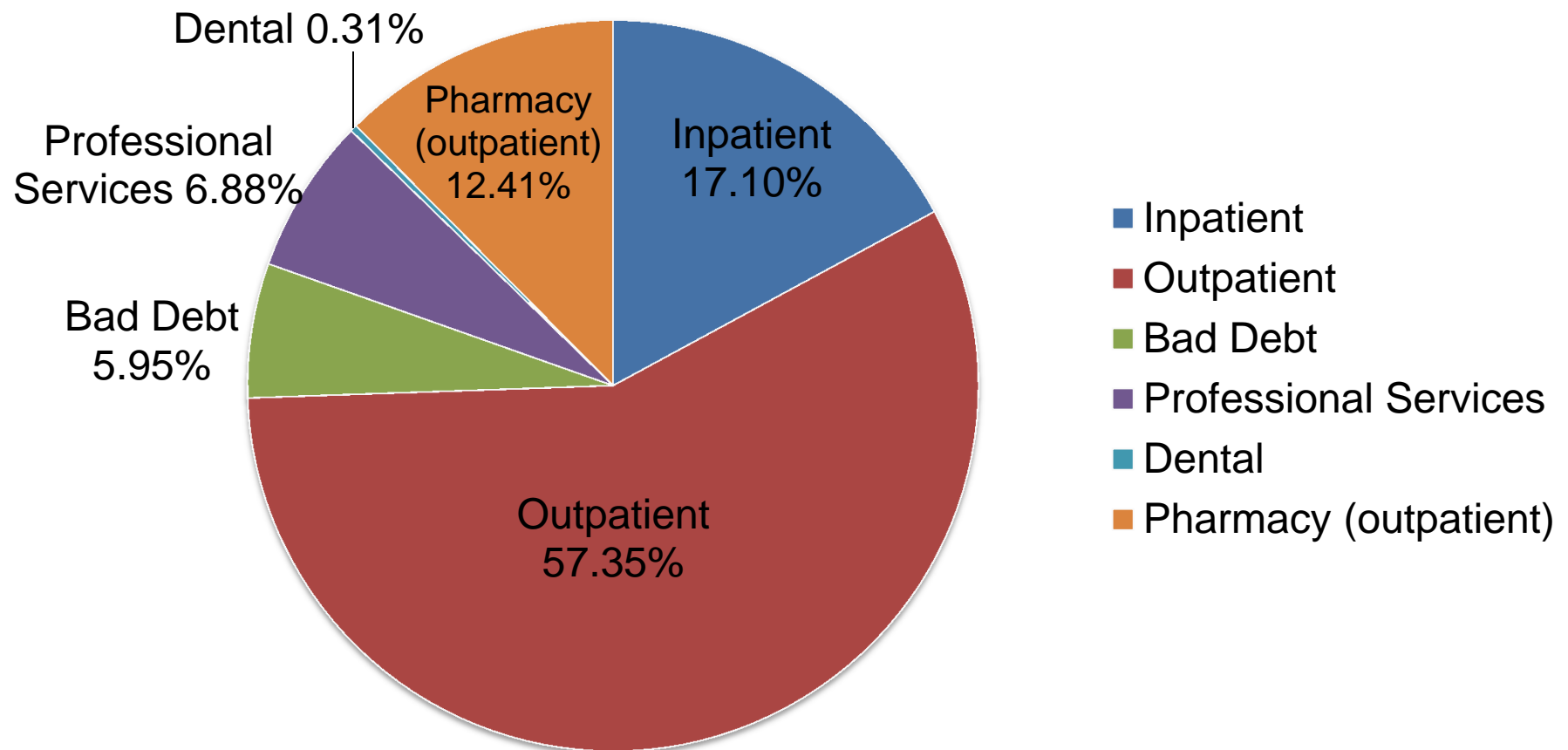
The total number of HSN16 patients is estimated based on current claims data and historical claims experience.

A portion of claims for HSN16 dates of service have not yet been submitted. These claims may represent unique patients that are not included in these figures.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Users who receive a service in more than one setting (hospital, community health center) or from more than one payment type (low income patient, emergency bad debt) are counted only once. Due to claim lag there may be unique users not yet accounted for. Users are reported on claims for which payments were made to hospital and community health center providers based on date of service. Numbers are rounded to the nearest thousand; percent changes are calculated prior to rounding. Source: Health Safety Net Data Warehouse as of 11/3/2016.



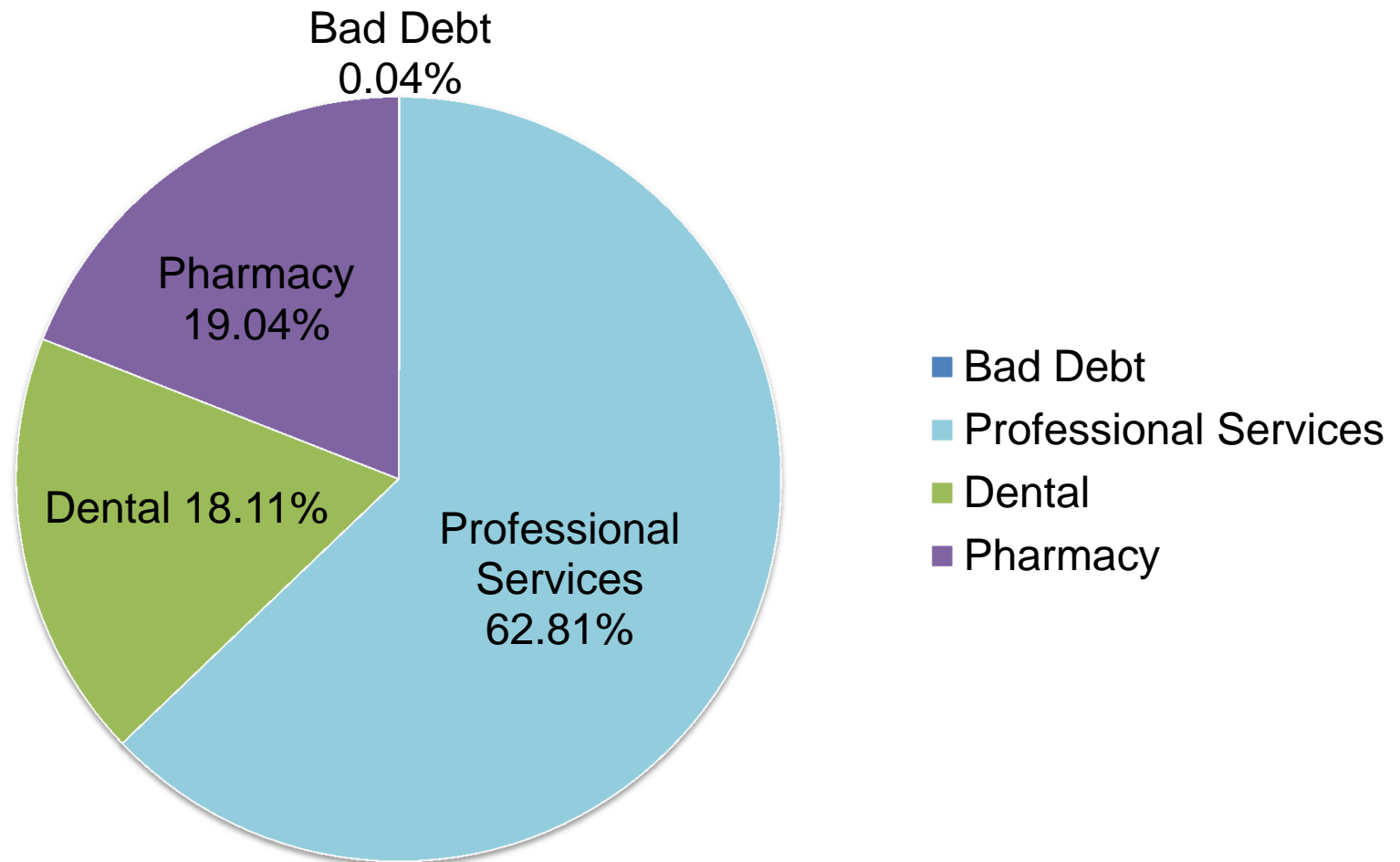
Hospital Demand by Type of Service



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital inpatient excludes pharmacy claims. Hospital inpatient payments are reported in the month in which the service was provided. Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of 11/4/16.



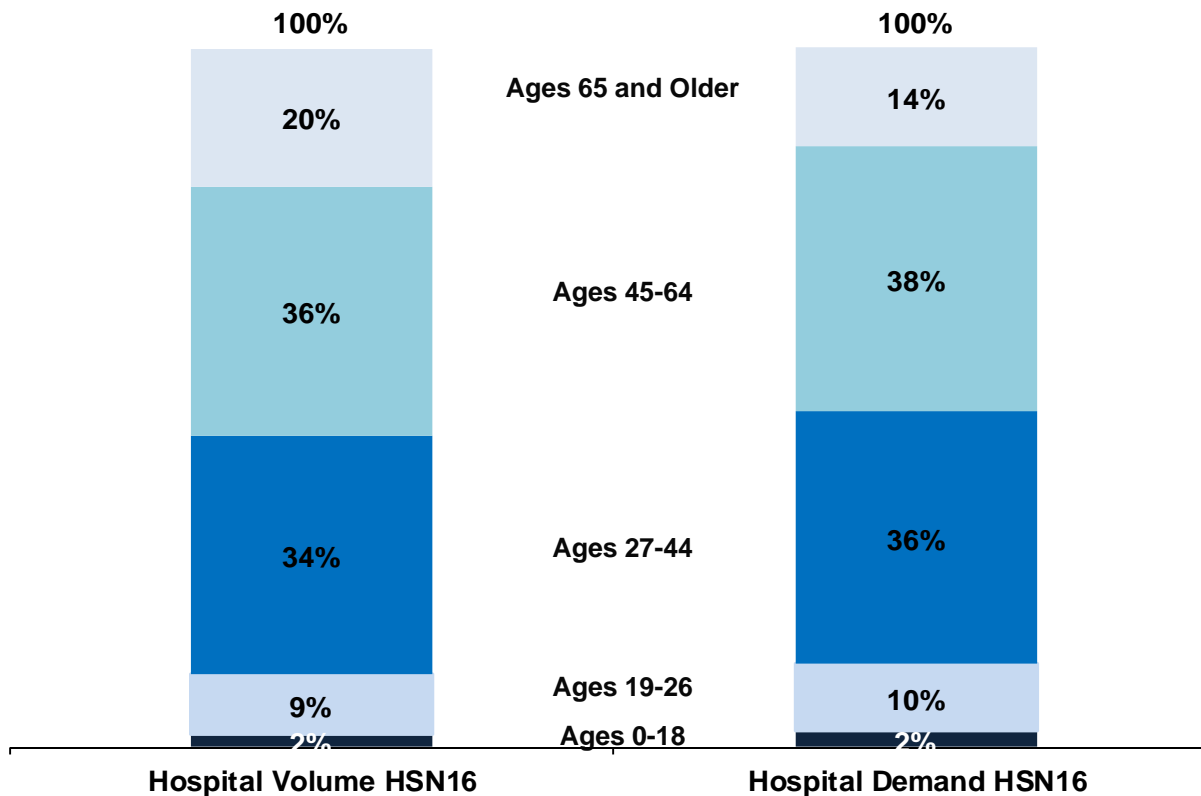
HSN CHC Demand by Type of Service



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of 11/4/16.



HSN Hospital Utilization and Demand by Age



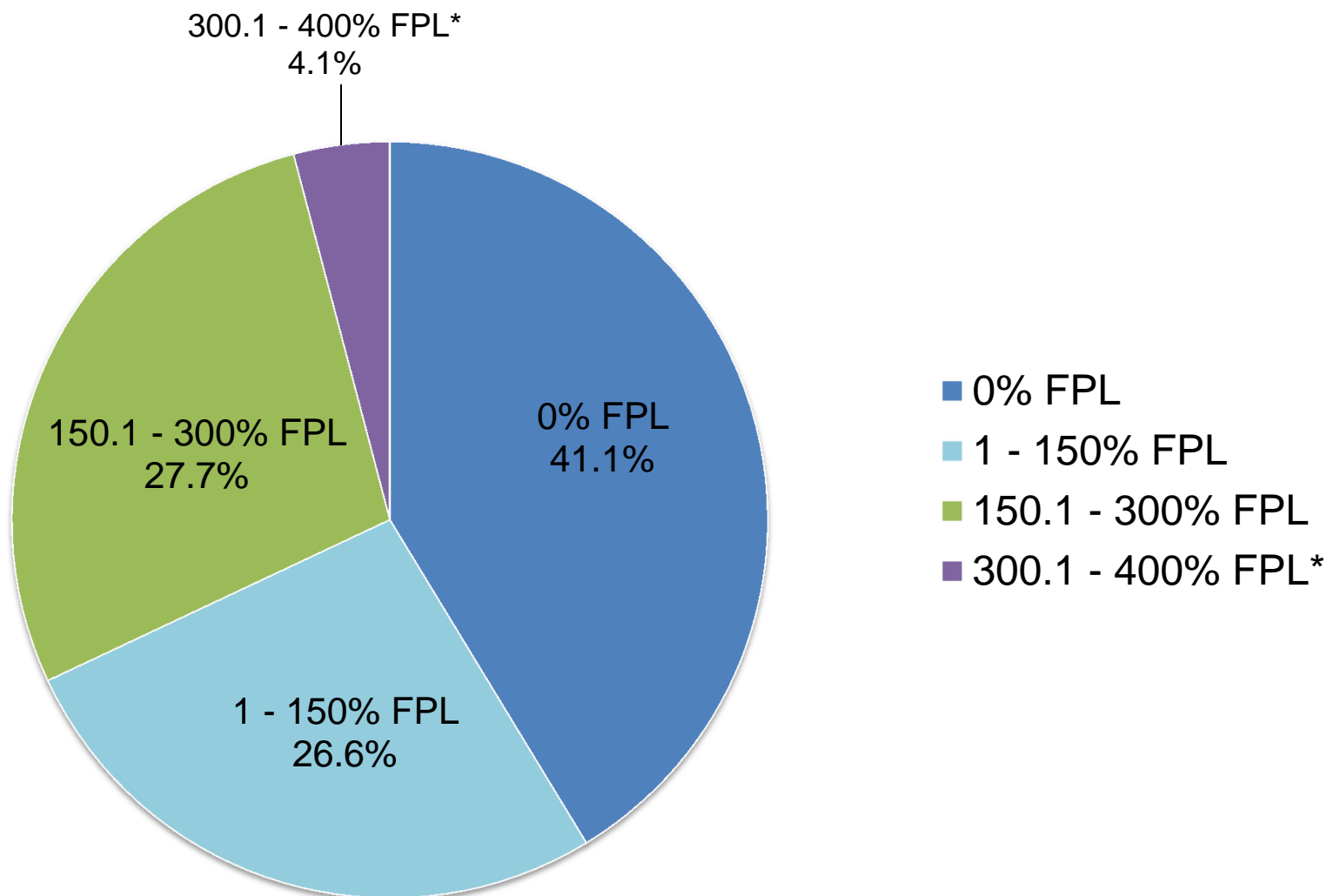
In Health Safety Net fiscal year 2016 (HSN16), the non-elderly adult population (ages 19 to 64) accounted for 79% of hospital volume and 84% of hospital demand.

Because the Health Safety Net (HSN) is a secondary payer for low-income Medicare patients, adults ages 65 and older accounted for 20% of hospital volume yet only 14% of hospital demand.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital volume is the sum of inpatient discharges and outpatient visits reported in the month in which the service was provided. Hospital volume excludes outpatient pharmacy claims. Hospital payments are reported in the month in which the service was provided. Hospital demand represents the amount that providers would have been paid in the absence of a funding shortfall and excludes outpatient pharmacy. Numbers are rounded to the nearest percent and may not sum to 100% due to rounding. Source: Health Safety Net Data Warehouse as of 10/19/2016.



HSN Hospital Utilization by Federal Poverty Level (FPL)



*In accordance with FY16 restructuring, in FY17 these legacy utilizers will be redetermined under the new HSN eligibility income limit of 300%.

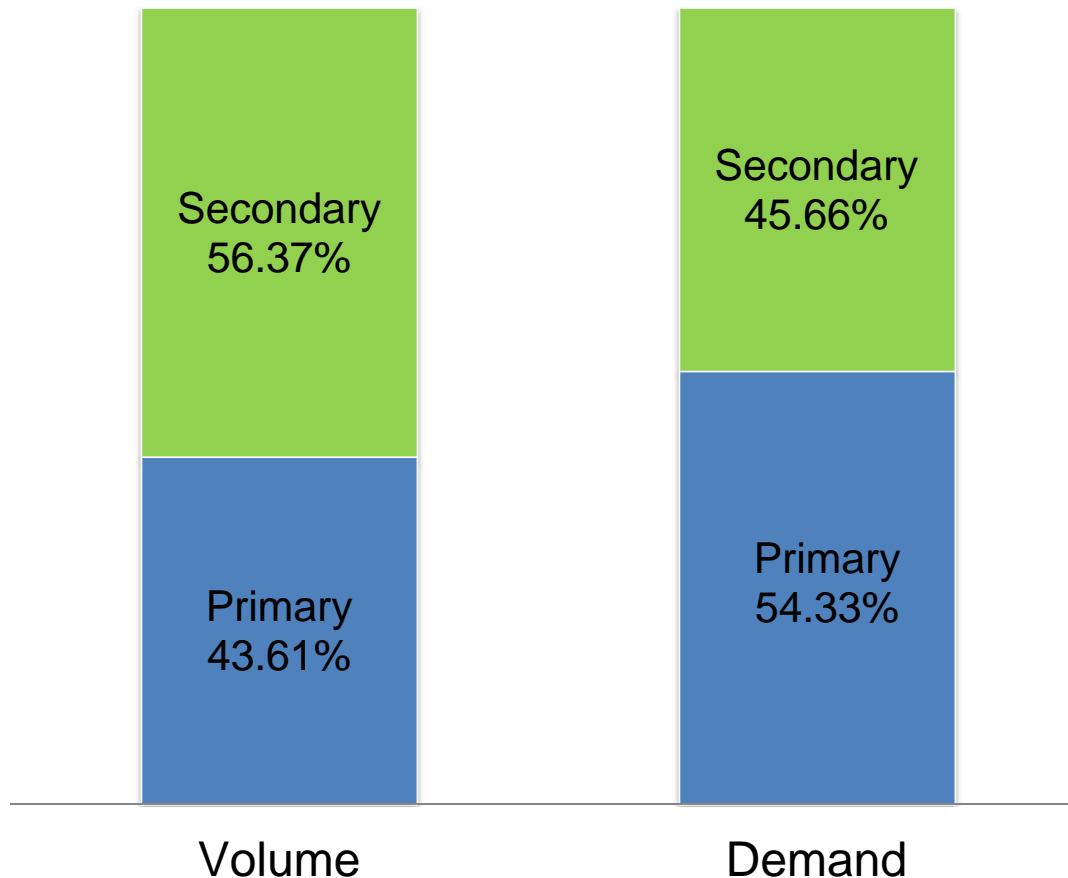
Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year.

Source: Health Safety Net Data Warehouse as of 11/8/16.



HSN Hospital Utilization and Demand by Insurance Status

■ Primary ■ Secondary



Claims are considered to be billed as primary when providers indicate the individual has no health insurance and only qualifies for HSN.

Claims are considered to be billed as secondary when providers bill the HSN after first submitting a claim to the patient's primary insurance such as Medicare or employer sponsored insurance.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital volume is the sum of inpatient discharges and outpatient visits reported in the month in which the service was provided. Hospital volume excludes pharmacy claims. Hospital payments are reported in the month in which the service was provided. Hospital demand represents the amount that providers would have been paid in the absence of a funding shortfall and excludes outpatient pharmacy. Numbers are rounded to the nearest percent and may not sum to 100% due to rounding.
Source: Health Safety Net Data Warehouse as of 10/19/2016.

