

# Health Safety Net Annual Report



**Fiscal Year 2017**

**December 1, 2017**

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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 47 of the Acts of 2017, Line Item 4000-0300, which calls for EOHHS to report on the utilization of the Health Safety Net Trust Fund, including the following information for Fiscal Year 2017:

- The number of persons whose medical expenses were billed to the Health Safety Net Trust Fund.
- The total dollar amount billed to the Health Safety Net Trust Fund.
- 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.
- 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 2017 (HSN17), which ran from October 1, 2016 through September 30, 2017.



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# 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 secondary partial HSN, which includes a sliding scale deductible based on income.
- Low income residents who are enrolled in MassHealth, Medicare or other insurance may qualify for HSN secondary for certain services not covered by their primary insurance.
- Individuals eligible for ConnectorCare (regardless of enrollment) are eligible for HSN for the first 100 days of eligibility, after such time they are eligible for HSN dental only.
- If a Massachusetts resident has allowable medical expenses that exceed a certain percent of their countable income, they may qualify for Medical Hardship, in which case the HSN would pay for HSN qualified services. Individuals who qualify for Medical Hardship must pay a required contribution, based on their family's countable income.



# HSN Overview

The HSN pays acute hospitals and community health centers based on services that are eligible for payment. HSN payment rates for most services are based on Medicare payment principles.

HSN17 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)
- Offset funding for uncompensated care from the Medical Assistance Trust Fund (\$70 million). The assessment and surcharge for HSNFY17 were \$165.3M each.



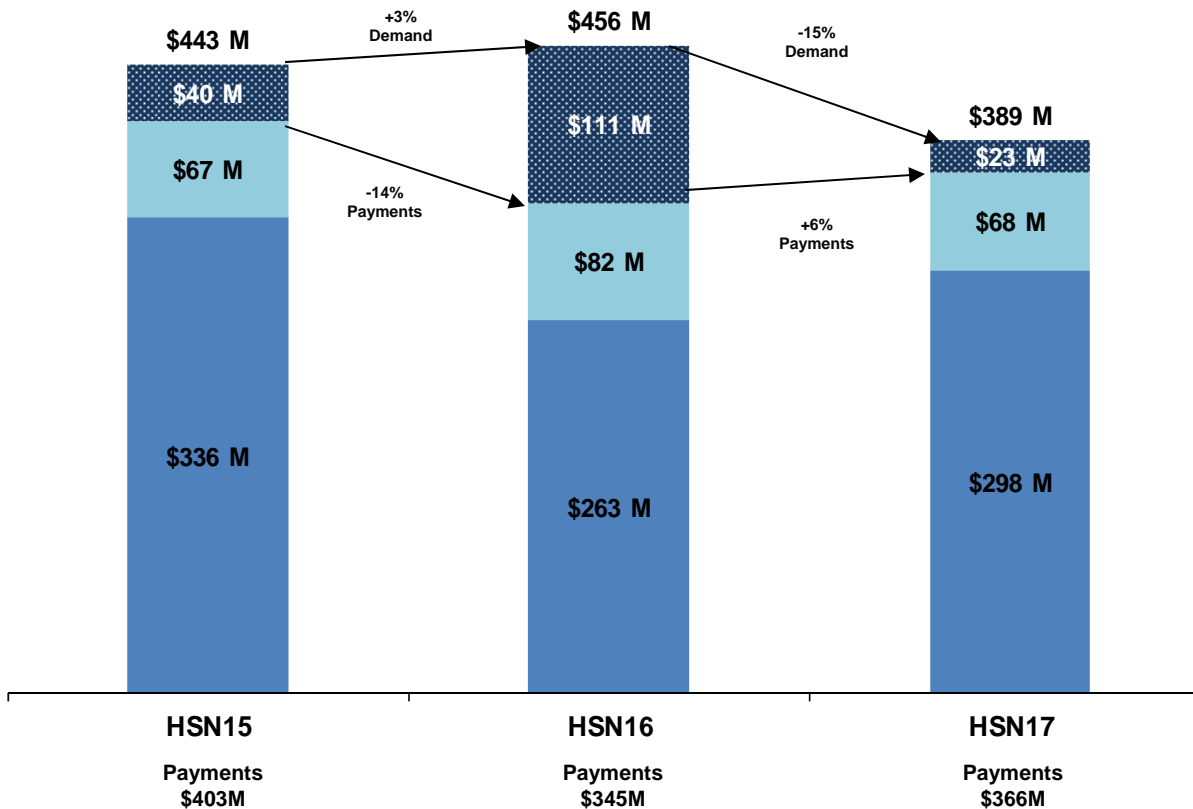
# HSN Fiscal Year 2017 Updates

- The HSN shortfall decreased from \$111M during HSN16 to \$23M during HSN17.
- The HSN implemented additional billing enhancements to comply with HSN billing rules and align with other MassHealth standard billing practices.
- The administration of the HSN Dental program transitioned from the HSN to DentaQuest as of January 1, 2017. DentaQuest now processes dental claims on behalf of the HSN and provides customer service for HSN dental providers.
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as required by Section 139 of Chapter 133 of the Acts of 2016 (the fiscal year 2017 state budget).



# HSN Total Demand and Payment Trends

■ Hospital Payments ■ CHC Payments ■ Shortfall



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

Health Safety Net fiscal year 2017 (HSN17) demand exceeded HSN17 funding. Hospital providers experienced a \$23 million shortfall during HSN17.

The HSN shortfall decreased from \$111M during HSN16 to \$23M during HSN17.

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 10/31/17.



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

Hospital	Payments HFY 2017
Anna Jaques Hospital	\$708,679
Athol Memorial Hospital	\$228,934
Baystate Franklin Medical Center	\$500,155
Baystate Mary Lane Hospital	\$94,586
Baystate Medical Center	\$6,182,532
Berkshire Medical Center	\$3,615,760
Beth Israel Deaconess Medical Center	\$9,555,895
Boston Medical Center	\$75,474,947
Brigham and Women's Hospital	\$10,137,152
Cape Cod Hospital	\$4,895,384
Boston Children's Hospital	\$3,850,000
Clinton Hospital	\$200,336
Cooley Dickinson Hospital	\$281,952
Dana-Farber Cancer Institute	\$5,555,786
Emerson Hospital	\$150,364
Fairview Hospital	\$794,331
Falmouth Hospital	\$1,147,543
Brigham and Women's Faulkner Hospital	\$1,608,330
Hallmark Health	\$364,855
Harrington Memorial Hospital	\$835,529
Health Alliance Hospital	\$1,551,515
Heywood Hospital	\$672,369
Holyoke Medical Center	\$1,142,102
Jordan Hospital	\$623,199
Lahey Clinic	\$2,461,262
Lawrence General Hospital	\$4,257,832
Lowell General Hospital	\$1,686,288
Marlborough Hospital	\$920,529
Martha's Vineyard Hospital	\$1,546,693
Massachusetts Eye and Ear Infirmary	\$1,120,234

Hospital	Payments HFY 2017
Massachusetts General Hospital	\$29,423,717
Mercy Medical Center	\$1,941,507
MetroWest Medical Center	\$4,472,150
Milford Regional Medical Center	\$973,780
BI Deaconess Hospital - Milton	\$165,255
BI Deaconess Hospital - Needham	\$0
Morton Hospital, A Steward Family Hospital	\$757,424
Mount Auburn Hospital	\$1,871,201
Nantucket Cottage Hospital	\$586,326
Nashoba Valley Med Ctr, A Steward Family Hospital	\$235,793
Newton-Wellesley Hospital	\$1,401,366
Noble Hospital	\$234,823
North Shore Medical Center	\$5,394,951
Northeast Hospital	\$2,058,827
Quincy Med Ctr, A Steward Family Hospital	\$248
Saint Vincent Hospital	\$2,023,771
Signature Healthcare Brockton Hospital	\$8,097,130
South Shore Hospital	\$1,962,246
Southcoast Hospitals Group	\$10,571,451
Steward Carney Hospital	\$1,909,395
Steward Good Samaritan Medical Center	\$2,933,143
Steward Holy Family Hospital	\$1,664,417
Steward Norwood Hospital	\$671,751
Steward Saint Anne's Hospital	\$1,663,678
Steward St. Elizabeth's Medical Center	\$2,096,759
Sturdy Memorial Hospital	\$1,276,850
Tufts Medical Center	\$5,551,004
UMass Memorial Medical Center	\$14,841,912
Winchester Hospital	\$264,982
Baystate Wing Hospital	\$689,070
<b>Total</b>	<b>\$247,900,000</b>

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2017.

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 2017 will be paid in subsequent fiscal years.

Notes: This list does not include 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 10/31/17.





# HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2017 Totals
Boston Health Care for the Homeless Program	\$1,270,397
Brockton Neighborhood Health Center	\$8,941,480
Caring Health Center, Inc.	\$836,004
Charles River Community Health Center	\$3,903,215
CHP Health Center	\$427,742
Community Health Center of Cape Cod	\$1,224,875
Community Health Center of Franklin County, Inc.	\$386,473
Community Health Connections Family Health Center (Fitchburg CHC)	\$3,325,352
Dimock Community Health Center	\$1,133,265
Duffy Health Center	\$93,486
Edward M. Kennedy Community Health Center, Inc.	\$5,675,590
Family Health Center of Worcester	\$2,859,133
Fenway Community Health Center	\$746,554
Geiger Gibson Community Health Center	\$310,475
Greater Lawrence Family Health Center, Inc.	\$6,151,445
Greater New Bedford Community Health Center, Inc.	\$2,431,336
Harbor Community Health Center - Hyannis (formerly Mid-Upper Cape)	\$2,156,205
Harvard Street Neighborhood Health Center	\$894,099
HealthFirst Family Care Center, Inc.	\$1,802,565
Hilltown Community Health Centers, Inc.	\$297,046
Holyoke Health Center	\$2,579,944
Island Health Care	\$81,905
Lowell Community Health Center	\$2,925,769
Lynn Community Health Center	\$7,309,289
Manet Community Health Center, Inc. at North Quincy	\$536,965
Mattapan Community Health Center	\$605,907
Neponset Health Center	\$429,613
North End Waterfront Health	\$347,710
North Shore Community Health, Inc.	\$1,785,853
Outer Cape Health Services, Inc.	\$820,429
South Cove Community Health Center	\$2,085,619
South End Community Health Center	\$1,371,399
Springfield Health Services for the Homeless	\$24,423
Stanley Street Treatment and Resources	\$151,467
Upham's Corner Health Center	\$1,128,012
Whittier Street Health Center	\$1,355,927
<b>Totals</b>	<b>\$68,406,968</b>

This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2017.

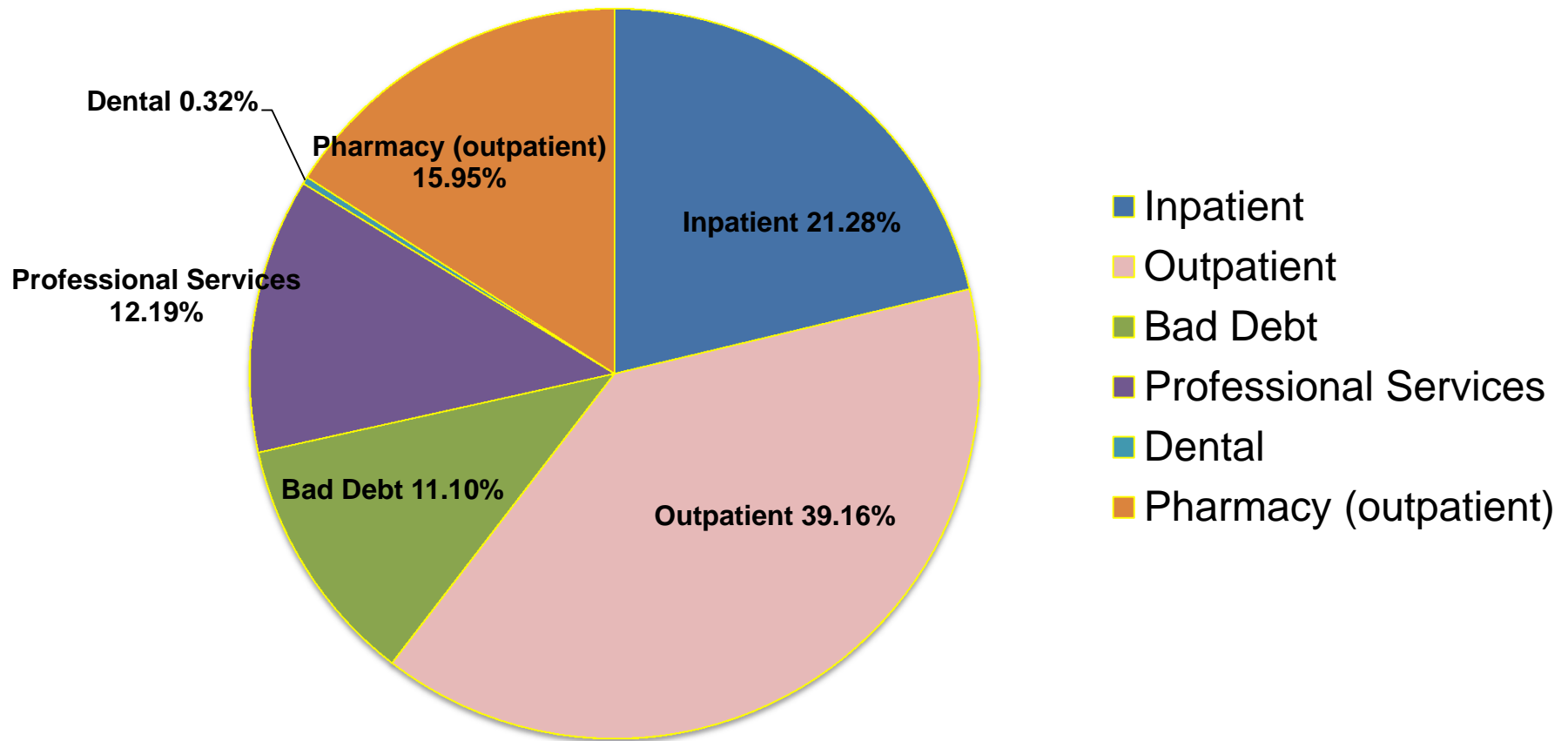
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2017 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 10/26/17.



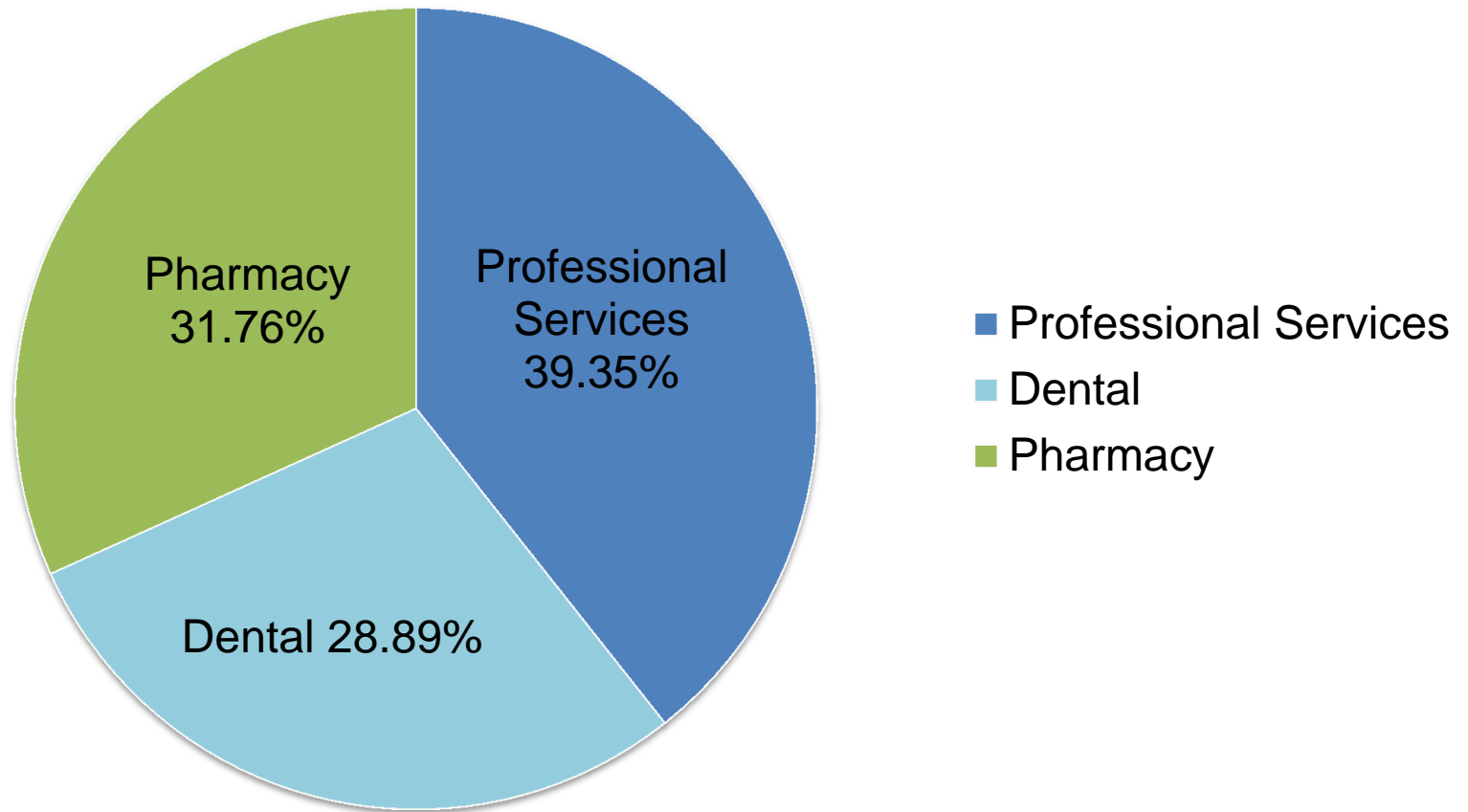
# Hospital Demand by Type of Service



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 11/8/17.



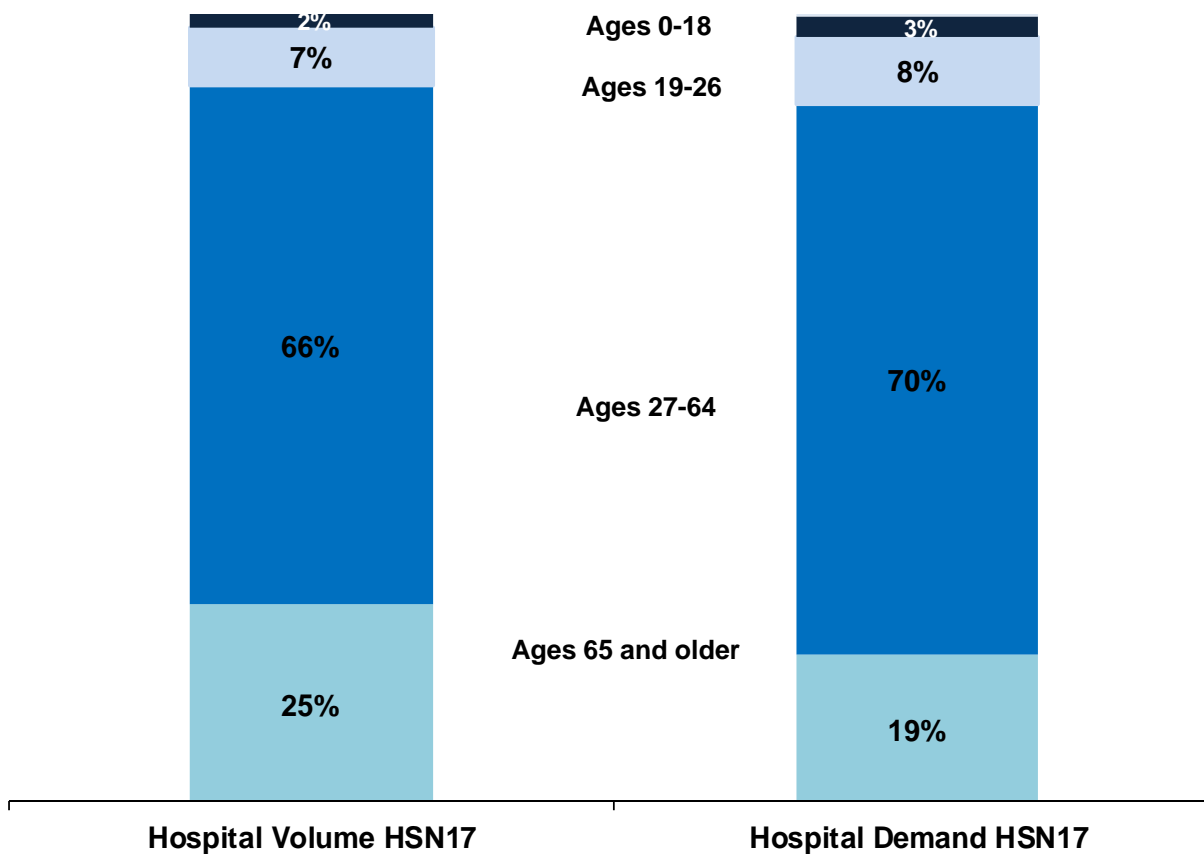
# HSN CHC Demand by Type of Service



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Source: Health Safety Net Payment Calculation as of 11/3/17.



# HSN Hospital Utilization and Demand by Age



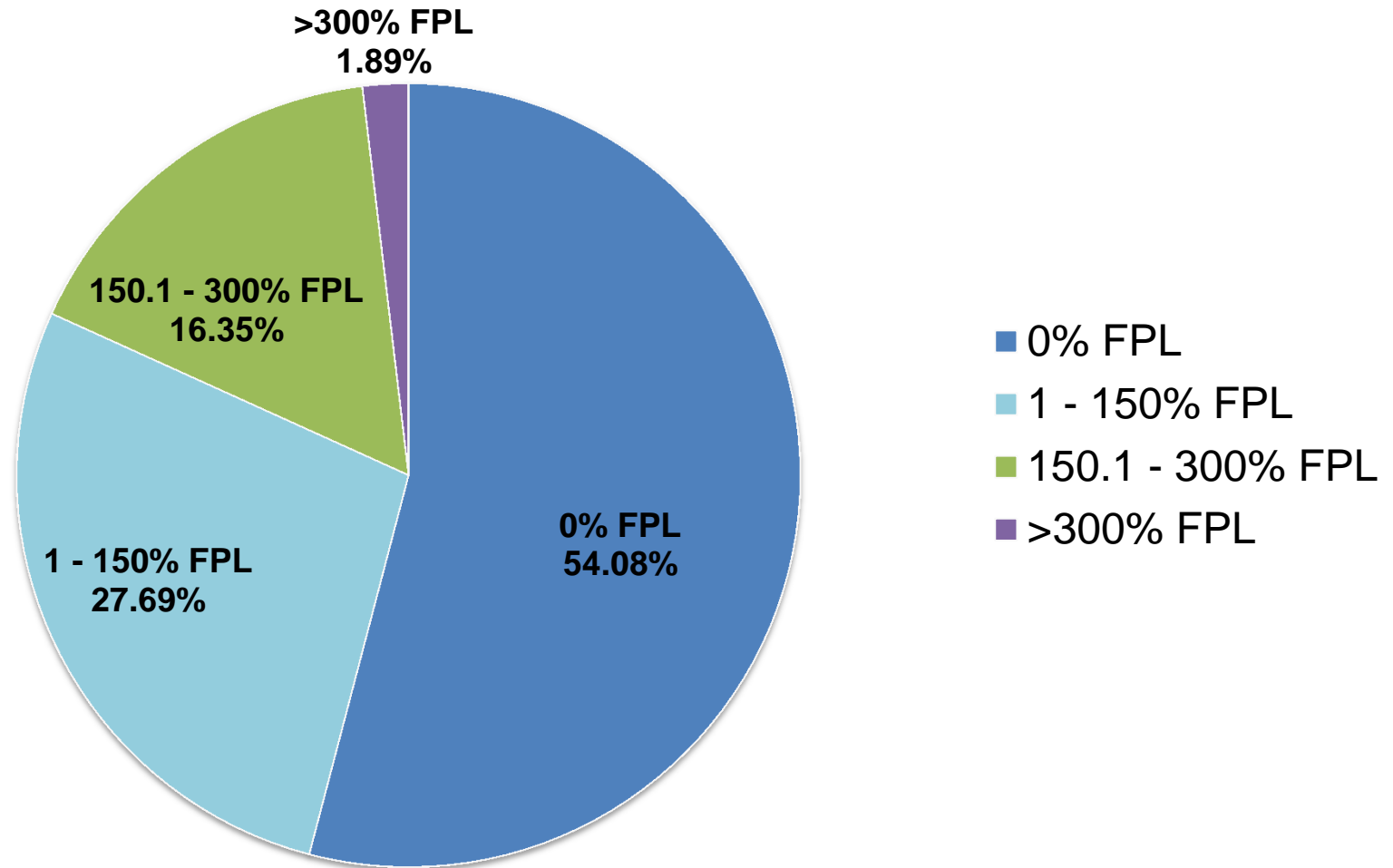
In Health Safety Net fiscal year 2017 (HSN17), the non-elderly adult population (ages 19 to 64) accounted for 72% of hospital volume and 78% of hospital demand.

Because the Health Safety Net (HSN) is a secondary payer for low-income Medicare patients, adults ages 65 and older accounted for 25% of hospital volume and 19% 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 11/2/2017.



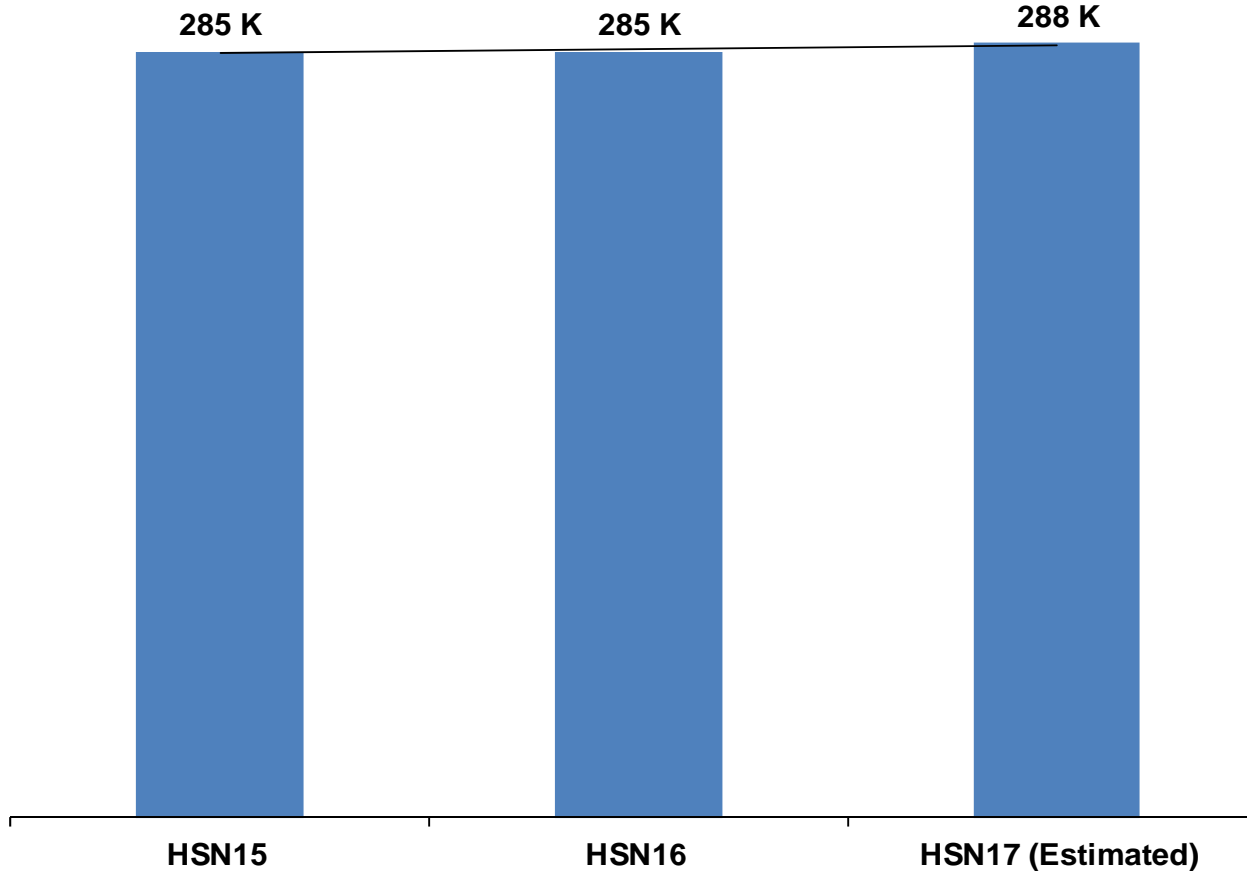
# HSN Hospital Utilization by Federal Poverty Level (FPL)



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. HSN pays facilities based on the year the claim was received, some claims paid in FY17 were for individuals eligible for HSN FY16 eligibility rules (up to 400% FPL) Source: Health Safety Net Data Warehouse as of 11/2/17.



# HSN Total User Trends



The Health Safety Net (HSN) estimates it will have made payments for medical and dental services provided to 288,000 individuals in HSN17.

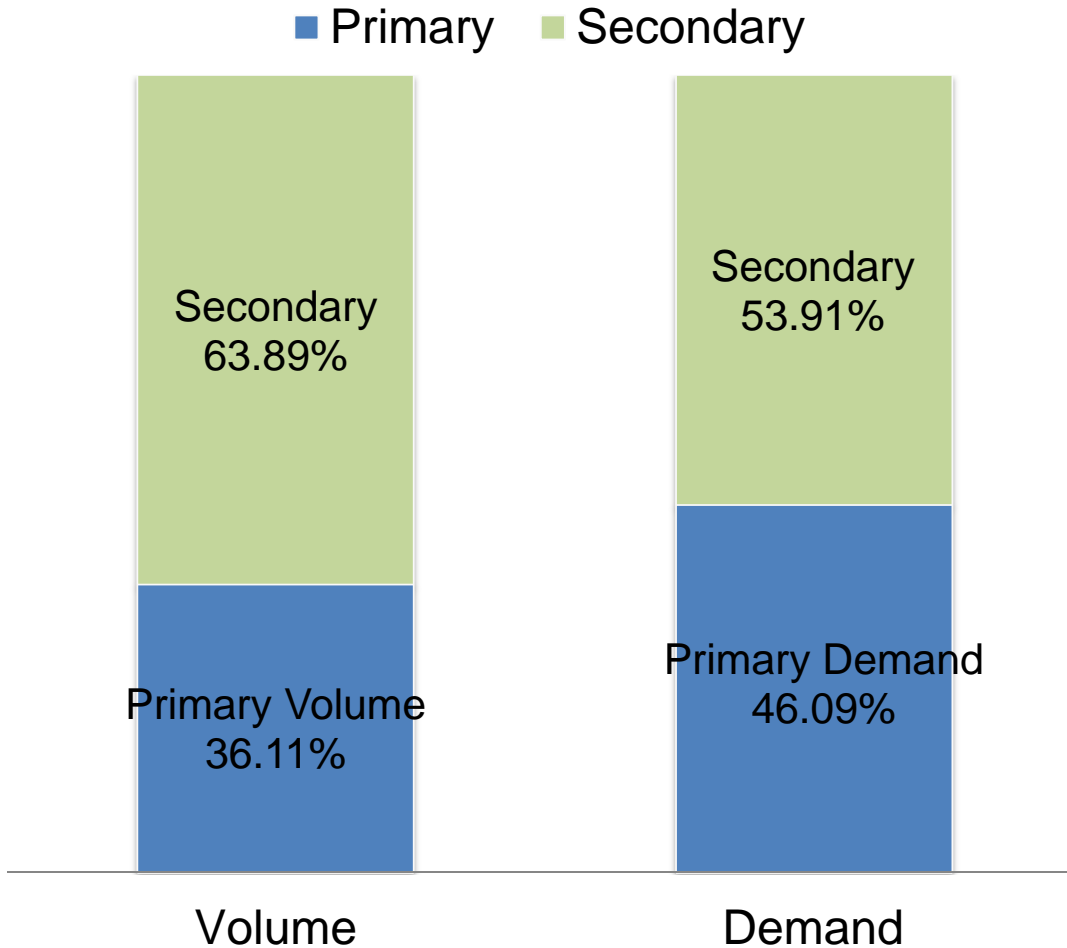
The total number of HSN17 patients is estimated based on current claims data and historical claims experience.

A portion of claims for HSN17 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 11/2/2017.



## HSN Hospital Utilization and Demand by Insurance Status



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. Data does not include HSN partial as there is no current edit identification for primary and secondary insurance on partial payments.

Source: Health Safety Net Data Warehouse as of 11/2/2017.

