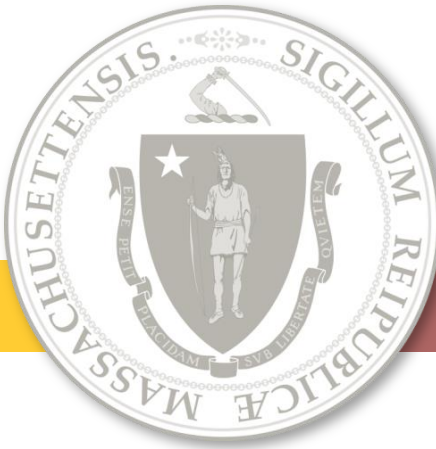


Health Safety Net Annual Report



Fiscal Year 2018

December 1, 2018

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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 154 of the Acts of 2018, 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 2018:

- 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 2018 (HSNFY18), which ran from October 1, 2017 through September 30, 2018.



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 household 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.

HSNFY18 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 HSNFY18 were \$165.3M each.



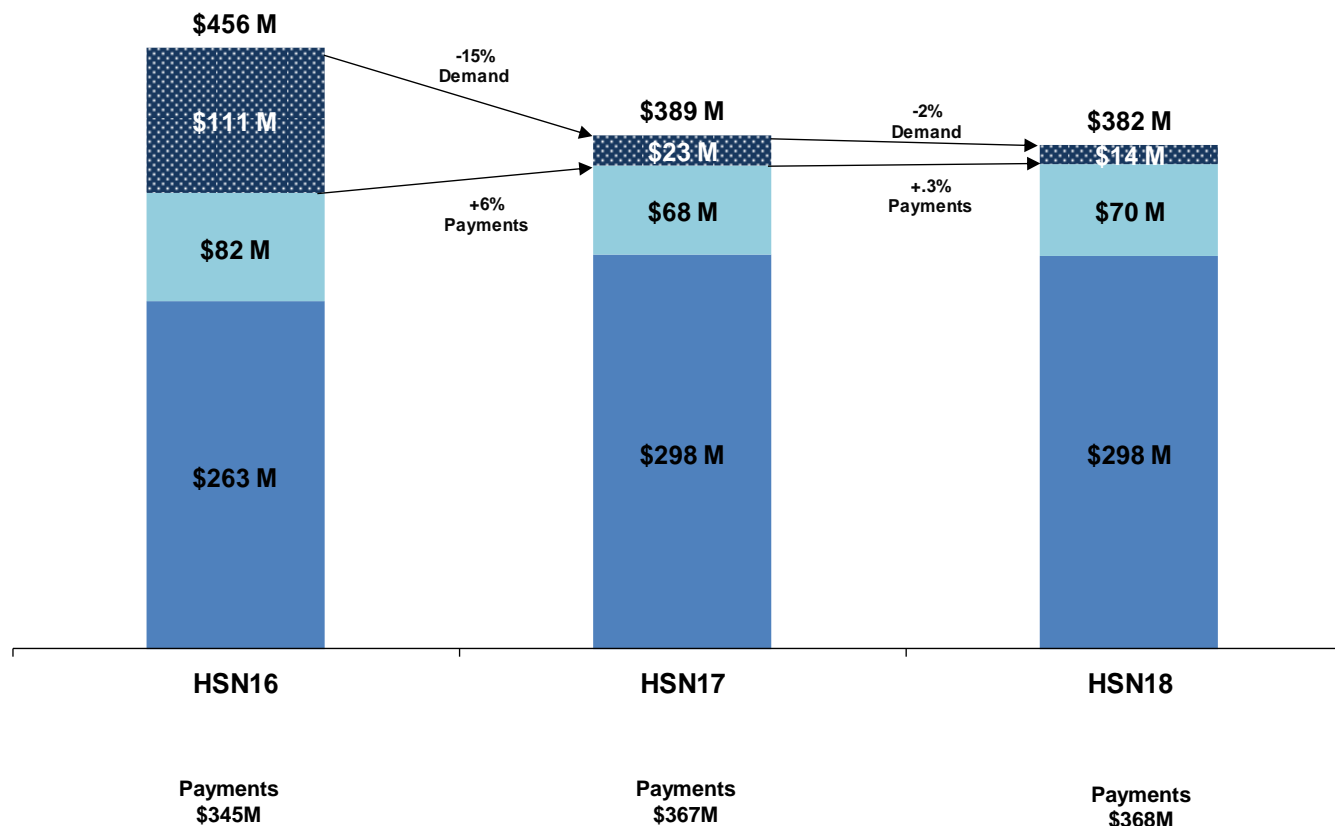
HSN Fiscal Year 2018 Updates

- The HSN shortfall decreased from \$23M during HSNFY17 to \$14M during HSNFY18.
- The HSN implemented additional billing enhancements to comply with HSN billing rules and align with other MassHealth standard billing practices.
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as mandated by the Massachusetts Budget for FY18.



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.

The HSN shortfall decreased from \$23M during HSNFY17 to \$14M during HSNFY18.

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 09/30/18.

Amounts Disbursed to Hospitals from the Health Safety Net Trust Fund

Hospital	Payments HFY 2018
Anna Jaques Hospital	\$ 711,457
Athol Memorial Hospital	\$ 325,243
Baystate Franklin Medical Center	\$ 647,970
Baystate Mary Lane Hospital	\$ 68,358
Baystate Medical Center	\$ 6,411,970
Baystate Wing Hospital	\$ 816,351
Berkshire Medical Center	\$ 5,029,730
Beth Israel Deaconess Hosp - Plymouth	\$ 634,536
Beth Israel Deaconess Medical Ctr	\$ 4,448,125
BI Deaconess Hospital - Milton	\$ 273,417
Boston Children's Hospital	\$ 5,238,164
Boston Medical Center	\$ 70,283,872
Brigham & Women's Faulkner Hosp	\$ 1,844,495
Brigham & Women's Hospital	\$ 12,172,858
Cape Cod Hospital	\$ 4,942,450
Clinton Hospital	\$ 73,278
Cooley Dickinson Hospital	\$ 187,359
Dana-Farber Cancer Institute	\$ 4,006,708
Emerson Hospital	\$ 133,417
Fairview Hospital	\$ 931,718
Falmouth Hospital	\$ 1,208,938
Hallmark Health	\$ 212,054
Harrington Memorial Hospital	\$ 1,096,710
Health Alliance Hospital	\$ 1,658,100
Heywood Hospital	\$ 878,165
Holyoke Medical Center	\$ 1,281,923
Lahey Clinic	\$ 1,871,330
Lawrence General Hospital	\$ 4,102,766
Lowell General Hospital	\$ 2,180,991
Marlborough Hospital	\$ 1,010,752

Hospital	Payments HFY 2018
Martha's Vineyard Hospital	\$ 1,980,016
Massachusetts Eye and Ear Infirmary	\$ 1,533,362
Massachusetts General Hospital	\$ 30,245,831
Mercy Medical Center	\$ 2,506,900
MetroWest Medical Center	\$ 1,891,351
Milford Regional Medical Center	\$ 764,503
Morton Hospital, A Steward Family Hosp	\$ 1,200,653
Mount Auburn Hospital	\$ 2,380,279
Nantucket Cottage Hospital	\$ 491,436
Nashoba Valley Med Ctr, Steward Family Hosp	\$ 264,474
Newton-Wellesley Hospital	\$ 1,566,412
Noble Hospital	\$ 262,973
North Shore Medical Center	\$ 6,728,574
Northeast Hospital	\$ 1,834,763
Saint Vincent Hospital	\$ 2,390,827
Signature Healthcare Brockton Hospital	\$ 5,839,638
South Shore Hospital	\$ 2,640,692
Southcoast Hospitals Group	\$ 9,751,224
Steward Carney Hospital	\$ 1,912,009
Steward Good Samaritan Medical Center	\$ 3,441,305
Steward Holy Family Hospital	\$ 2,122,573
Steward Norwood Hospital	\$ 1,553,805
Steward Saint Anne's Hospital	\$ 1,732,058
Steward St. Elizabeth's Medical Center	\$ 2,532,095
Sturdy Memorial Hospital	\$ 1,681,224
Tufts Medical Center	\$ 5,244,485
UMass Memorial Medical Center	\$ 13,725,227
Winchester Hospital	\$ 98,107
Total	\$ 243,000,000

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2018.

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 2018 will be paid in subsequent fiscal years.

This list does not include disbursements to Cambridge Health Alliance (CHA) due to offset funding (\$35,062,292 in HSNFY18) to CHA for uncompensated care from other sources. This list does not include outside disbursements to Boston Medical Center (BMC) of \$20,000,000 in HSNFY18.

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 09/30/18.



HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2018 Total Paid
Boston Health Care for the Homeless Program	\$ 1,572,993
Brockton Neighborhood Health Center	\$ 10,284,084
Caring Health Center, Inc.	\$ 1,148,543
Charles River Community Health Center	\$ 4,231,873
CHP Health Center	\$ 512,432
Community Health Center of Cape Cod	\$ 1,226,485
Community Health Center of Franklin County, Inc.	\$ 264,199
Community Health Connections Family Health Center	\$ 2,661,840
Dimock Community Health Center	\$ 1,113,341
Duffy Health Center	\$ 66,997
Edward M. Kennedy Community Health Center, Inc.	\$ 6,380,417
Family Health Center of Worcester	\$ 3,106,884
Fenway Community Health Center	\$ 540,780
Geiger Gibson Community Health Center	\$ 282,812
Greater Lawrence Family Health Center, Inc.	\$ 5,815,180
Greater New Bedford Community Health Center, Inc.	\$ 2,171,997
Harbor Community Health Center - Hyannis	\$ 2,304,664
Harvard Street Neighborhood Health Center	\$ 1,106,282
HealthFirst Family Care Center, Inc.	\$ 1,558,308
Hilltown Community Health Centers, Inc.	\$ 199,101
Holyoke Health Center	\$ 2,476,019
Island Health Care	\$ 121,669
Lowell Community Health Center	\$ 3,443,470
Lynn Community Health Center	\$ 7,039,527
Manet Community Health Center, Inc. at North Quincy	\$ 654,713
Mattapan Community Health Center	\$ 527,111
Neponset Health Center	\$ 420,131
North End Waterfront Health	\$ 400,729
North Shore Community Health, Inc.	\$ 1,274,386
Outer Cape Health Services, Inc.	\$ 732,584
South Cove Community Health Center	\$ 2,094,536
South End Community Health Center	\$ 993,744
Springfield Health Services for the Homeless	\$ 18,911
Stanley Street Treatment and Resources	\$ 165,975
Upham's Corner Health Center	\$ 970,433
Whittier Street Health Center	\$ 1,766,109
Total	\$ 69,649,259

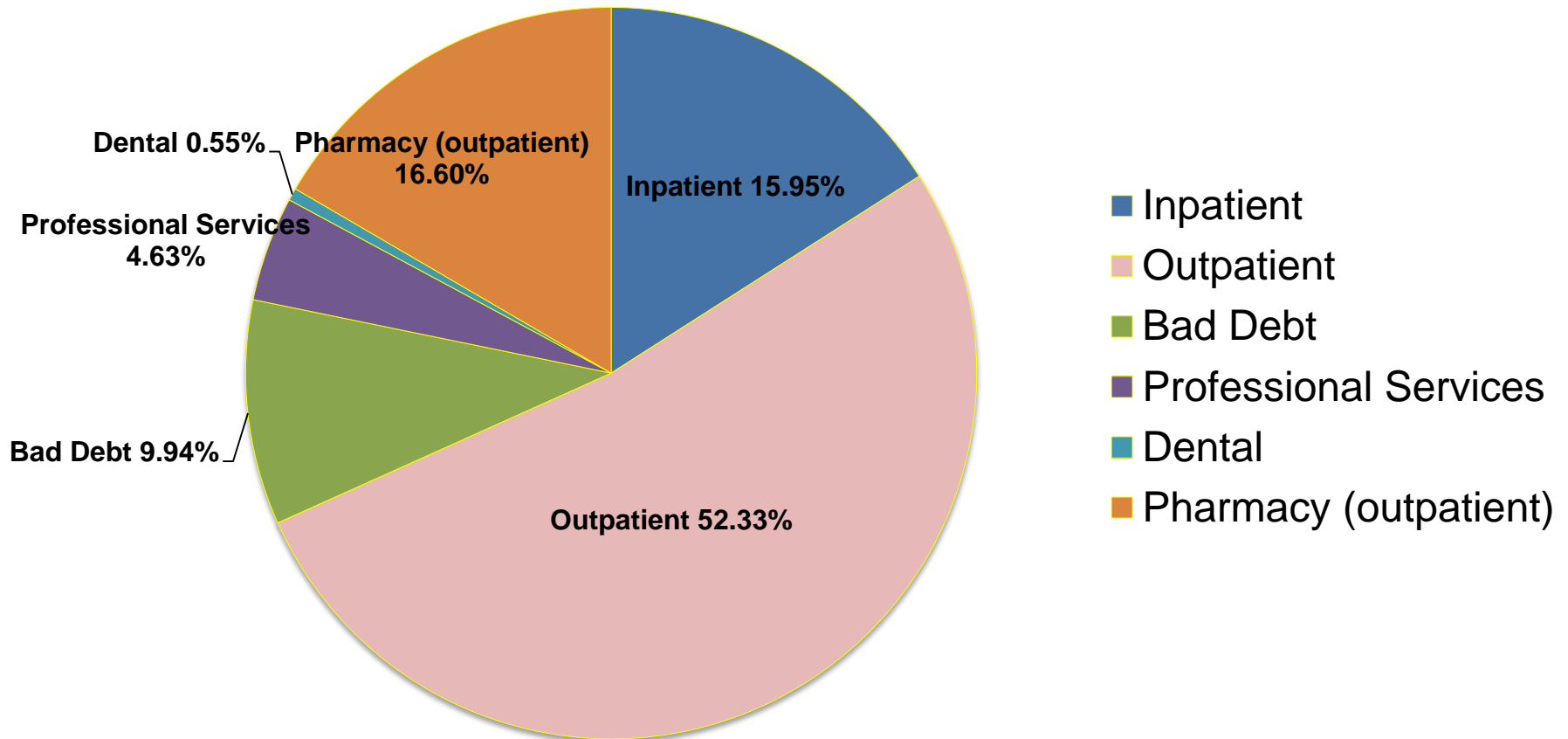
This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2018.

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 2018 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 9/30/18.

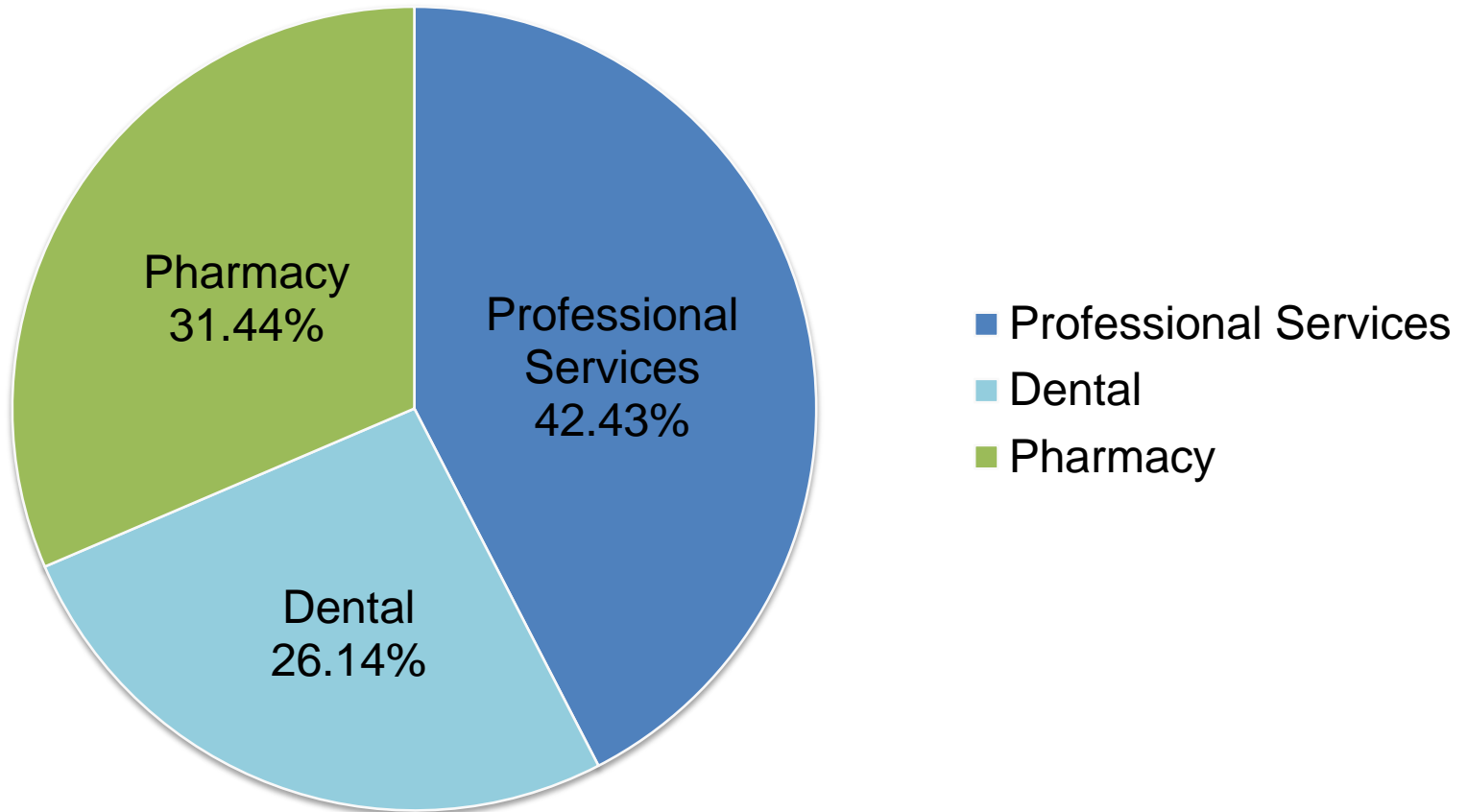
Hospital Demand by Type of Service



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 11/19/18.



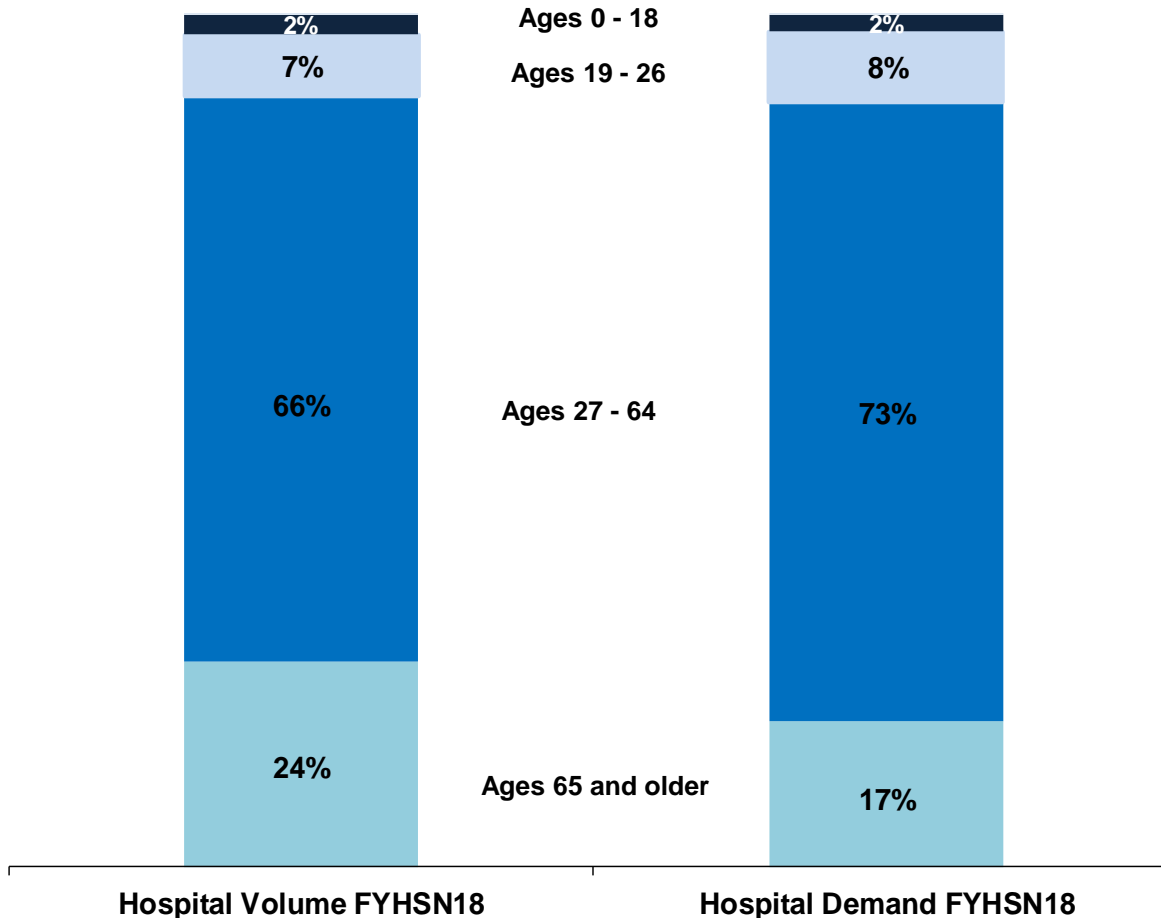
HSN CHC Demand by Type of Service



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 9/30/18.



HSN Hospital Utilization and Demand by Age



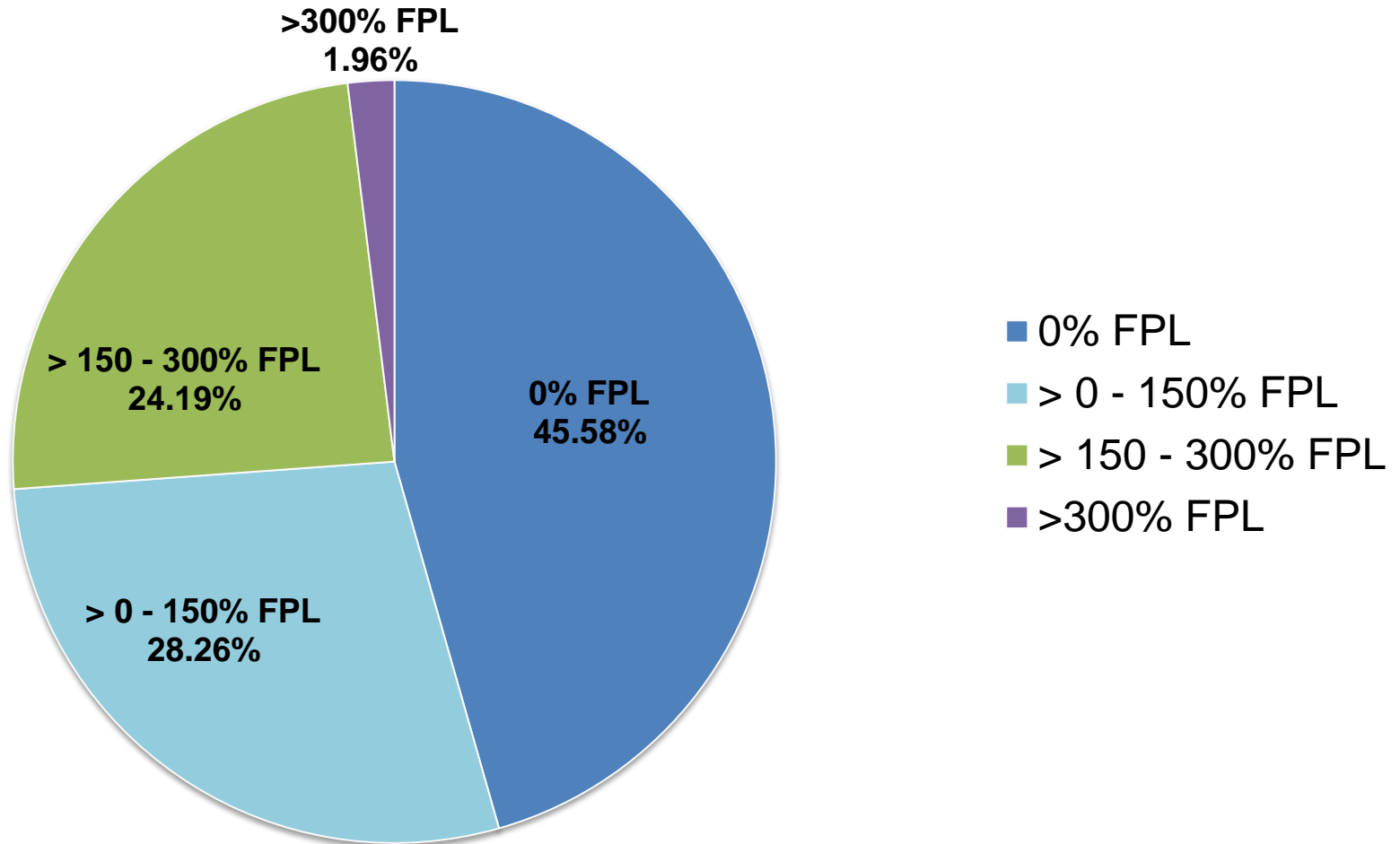
In Health Safety Net fiscal year 2018 (HSNFY18), the non-elderly adult population (ages 19 to 64) accounted for 73% of hospital volume and 81% of hospital demand.

Because the Health Safety Net (HSN) is a secondary payer for low-income Medicare patients, adults ages 65 and older accounted for 24% of hospital volume and 17% 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 11/19/18.



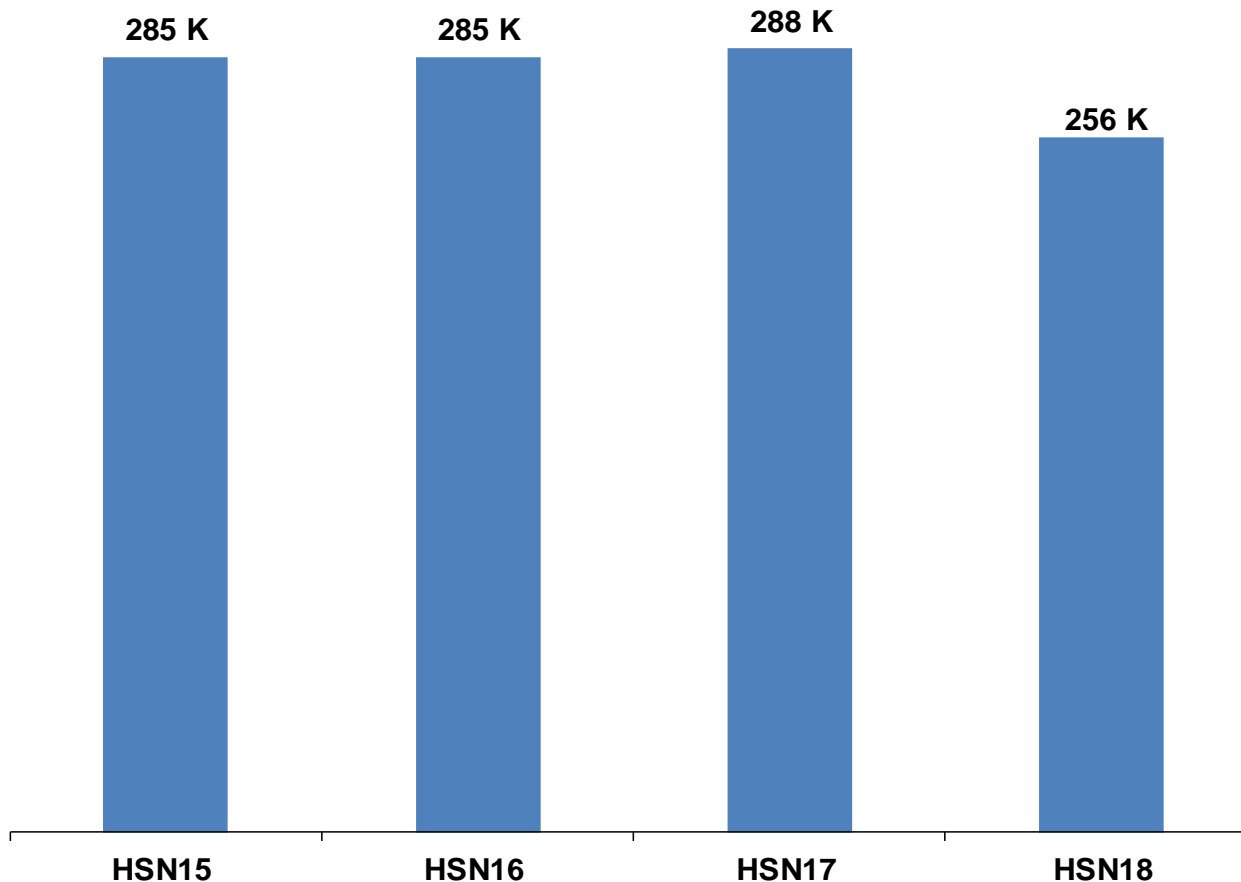
HSN Hospital Utilization by Federal Poverty Level (FPL)



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. > 300% FPL includes individuals qualifying for Medical Hardship. Source: Health Safety Net Data Warehouse as of 11/19/18.



HSN Total User Trends



The Health Safety Net (HSN) estimates it will have made payments for medical and dental services provided to 256,000 individuals in HSNFY18.

The total number of HSNFY18 patients is estimated based on current claims data and historical claims experience.

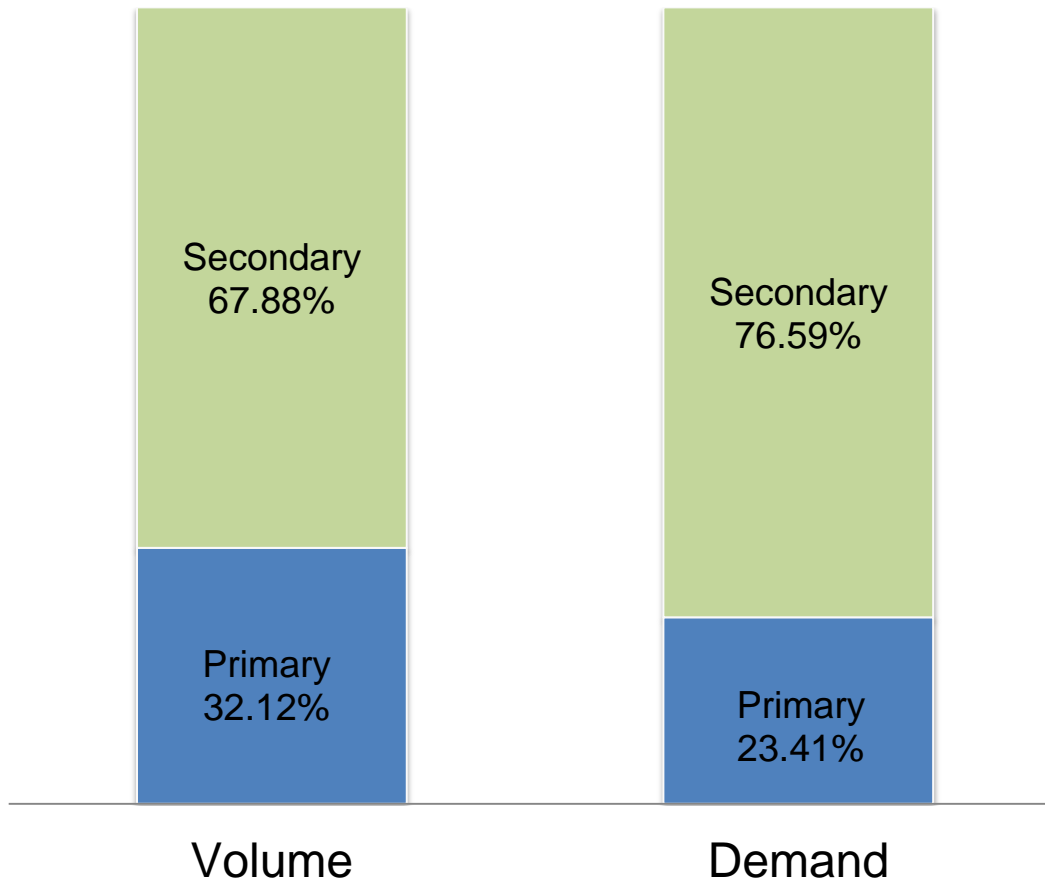
A portion of claims for HSNFY18 dates of service have not yet been submitted. These claims may represent unique patients that are not included in these figures.

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;
Source: Health Safety Net Data Warehouse as of 11/19/18.



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 10/09/2018.

