

Health Safety Net Annual Report



Fiscal Year 2019

December 1, 2019

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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 41 of the Acts of 2019, 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 2019:

- 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 2019 (HSNFY19), which ran from October 1, 2018 through September 30, 2019.



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.

HSNFY19 funding included the following sources:

- An assessment on acute hospitals' private sector charges: \$165,308,674¹
- 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): \$165,308,674¹
- Offset funding for uncompensated care from the Medical Assistance Trust Fund: \$55,826,474²
- A \$16 million appropriation from the Commonwealth's General Fund.³

1. \$10,617,348 (\$5,308,674 per funding source) is used for HSN administrative funding.

2. In FY19, disbursements were made to Cambridge Health Alliance (\$35,826,474) and Boston Medical Center (\$20,000,000) due to offset funding for uncompensated care from other sources.

3. \$15M in funding for the Health Safety Net. \$1M in additional funding for demonstration projects.



HSN Overview

The HSN also allocates funds every fiscal year for demonstration projects designed to address alternative approaches to improve health care and reduce costs for the uninsured and underinsured on a cost-neutral basis.¹ The following demonstration projects were funded in FY19:

- Fishing Partnership
 - The Fishing Partnership was awarded demonstration funding to connect commercial fishermen with a broad range of professional counseling services, provide assistance with health insurance applications, and offer safety and survival trainings and other special health-oriented events for fishing families: \$2,000,000
- Long-Acting Reversible Contraception
 - Two community organizations (Boston Medical Center and Upstream USA) were awarded demonstration funding to provide assistance to health care providers, both in the community and hospital settings, with the aim of decreasing the number of unintended pregnancies and improve maternal and infant health outcomes across the Commonwealth: \$2,412,030
- Note: Each fiscal year, the HSN makes a \$1M payment to the Office of the Inspector General for auditing purposes.

1. \$50,000 of demonstration funding is used to pay for the HSN drug utilization review contract.

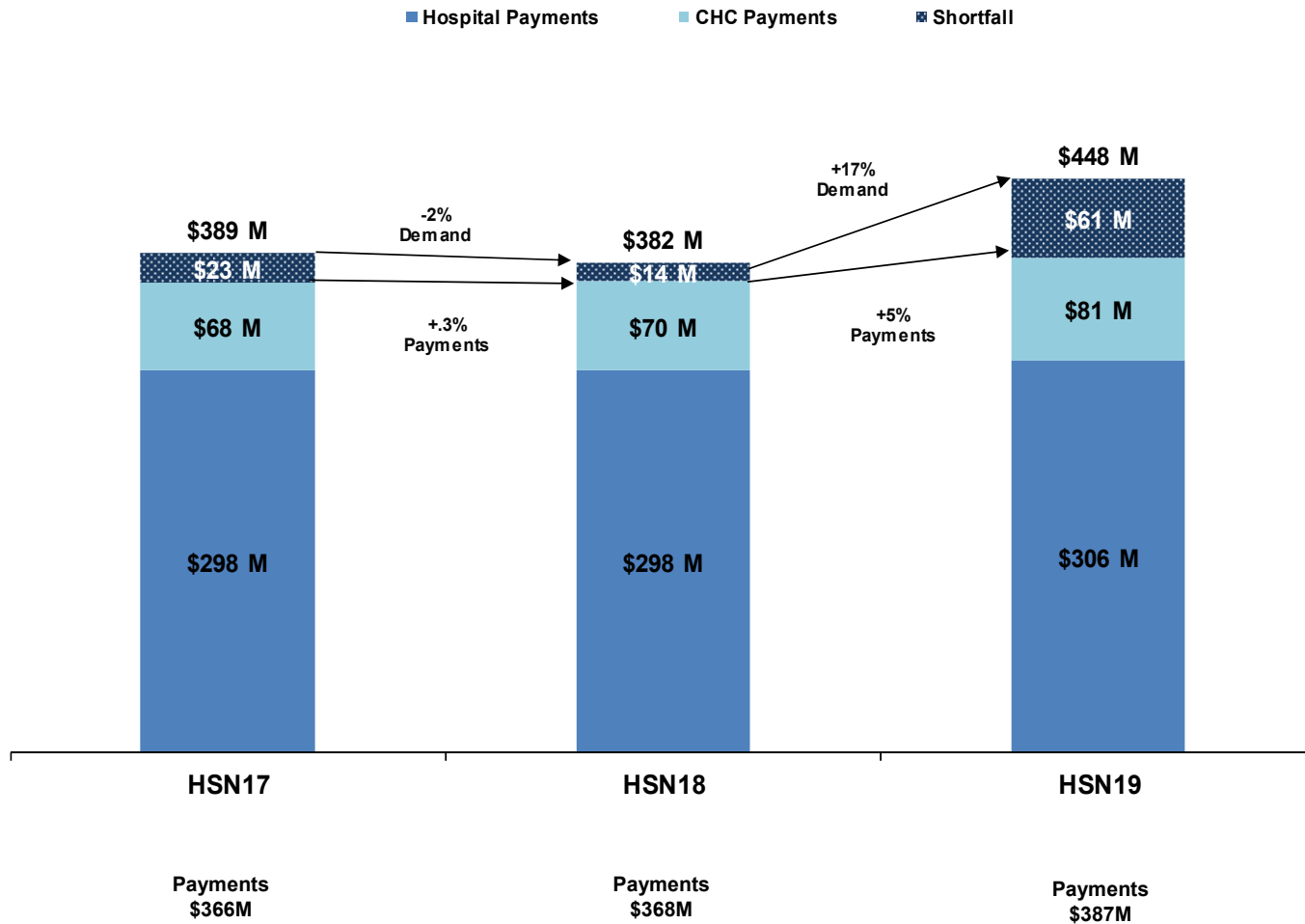


HSN Fiscal Year 2019 Updates

- The HSN shortfall increased from \$14M during HSNFY18 to \$61M during HSNFY19.
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as mandated by the Massachusetts Budget for FY19.
- The HSN implemented additional billing enhancements to comply with HSN billing rules and align with other MassHealth standard billing practices.



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 2019 (HSNFY19) demand exceeded HSNFY18 funding.

The HSN shortfall increased from \$14M during HSNFY18 to \$61M during HSNFY19.

This was the result of a combination of factors, including increases in institutional payments, pharmacy spending and community health center utilization

Note: In FY19, the HSN received A \$15 million appropriation from the Commonwealth's General Fund

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 09/30/19.



Payments

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

Hospital	Payments HFY 2019	Hospital	Payments HFY 2019
Anna Jaques Hospital	\$ 423,362	Martha's Vineyard Hospital	\$ 2,471,001
Athol Memorial Hospital	\$ 284,644	Massachusetts Eye and Ear Infirmary	\$ 1,045,312
Baystate Franklin Medical Center	\$ 485,790	Massachusetts General Hospital	\$ 29,116,259
Baystate Mary Lane Hospital	\$ 78,776	Mercy Medical Center	\$ 2,461,205
Baystate Medical Center	\$ 5,780,604	MetroWest Medical Center	\$ 1,446,100
Berkshire Medical Center	\$ 4,611,047	Morton Hospital, A Steward Family Hospital Inc.	\$ 901,694
Beth Israel Deaconess Medical Center	\$ 7,395,649	Mount Auburn Hospital	\$ 1,474,514
Boston Medical Center	\$ 79,682,517	Nantucket Cottage Hospital	\$ 585,258
Boston Medical Center Offset	\$ 20,000,000	Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 254,134
Brigham and Women's Hospital	\$ 6,633,682	Newton-Wellesley Hospital	\$ 1,059,563
Cape Cod Hospital	\$ 5,208,221	Noble Hospital	\$ 382,804
Boston Children's Hospital	\$ 3,850,000	North Shore Medical Center	\$ 5,405,478
Cambridge Health Alliance Offset	\$35,826,474	Northeast Hospital	\$ 2,146,962
Clinton Hospital	\$ 639	Saint Vincent Hospital	\$ 1,934,763
Codley Dickinson Hospital	\$ 691,495	Signature Healthcare Brockton Hospital	\$ 6,629,581
Dana-Farber Cancer Institute	\$ 5,860,037	South Shore Hospital	\$ 1,105,922
Fairview Hospital	\$ 857,753	Southcoast Hospitals Group	\$ 9,270,079
Falmouth Hospital	\$ 1,304,451	Steward Carney Hospital	\$ 1,780,258
Brigham and Women's Faulkner Hospital	\$ 1,699,510	Steward Good Samaritan Medical Center	\$ 3,114,875
Hallmark Health	\$ 1,241,803	Steward Holy Family Hospital	\$ 2,200,659
Harrington Memorial Hospital	\$ 879,400	Steward Norwood Hospital	\$ 1,128,436
Health Alliance Hospital	\$ 2,476,298	Steward Saint Anne's Hospital	\$ 1,637,346
Heywood Hospital	\$ 888,284	Steward St. Elizabeth's Medical Center	\$ 2,172,863
Holyoke Medical Center	\$ 1,381,406	Sturdy Memorial Hospital	\$ 1,546,492
Beth Israel Deaconess Hospital – Plymouth, Inc.	\$ 372,695	Tufts Medical Center	\$ 5,372,203
Lahey Clinic	\$ 267,799	UMass Memorial Medical Center	\$ 17,606,956
Lawrence General Hospital	\$ 7,235,692		
Lowell General Hospital	\$ 3,543,103		

Total Disbursements for FY19:
\$305,552,460

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2019.

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 2019 will be paid in subsequent fiscal years.

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 09/30/19.



HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2019 Total Paid
Boston Health Care for the Homeless Program	\$ 1,627,746
Brockton Neighborhood Health Center	\$ 11,103,703
Caring Health Center, Inc.	\$ 1,029,565
Charles River Community Health Center	\$ 4,474,182
CHP Health Center	\$ 562,498
Community Health Center of Cape Cod	\$ 1,434,775
Community Health Center of Franklin County, Inc.	\$ 470,223
Community Health Connections Family Health Center	\$ 2,444,218
Dimock Community Health Center	\$ 1,230,821
Duffy Health Center	\$ 116,418
Edward M Kennedy Community Health Center, Inc.	\$ 6,852,925
Family Health Center of Worcester	\$ 3,929,941
Fenway Community Health Center	\$ 1,366,517
Geiger Gibson Community Health Center	\$ 526,290
Greater Lawrence Family Health Center, Inc.	\$ 5,249,992
Greater New Bedford Community Health Center, Inc.	\$ 2,682,843
Harbor Community Health Center - Hyannis	\$ 2,948,963
Harvard Street Neighborhood Health Center	\$ 1,067,241
HealthFirst Family Care Center, Inc.	\$ 1,749,465
Hilltown Community Health Centers, Inc.	\$ 320,635
Holyoke Health Center	\$ 2,247,579
Island Health Care	\$ 119,441
Lowell Community Health Center	\$ 6,542,761
Lynn Community Health Center	\$ 7,362,039
Manet Community Health Center, Inc.	\$ 673,614
Mattapan Community Health Center	\$ 628,008
Neponset Health Center	\$ 445,418
North End Waterfront Health	\$ 492,302
North Shore Community Health, Inc.	\$ 3,169,126
Outer Cape Health Services, Inc.	\$ 457,806
South Cove Community Health Center	\$ 1,940,623
South End Community Health Center	\$ 1,222,630
Springfield Health Services for the Homeless	\$ 62,278
Stanley Street Treatment and Resources (SSTAR)	\$ 223,025
Upham's Corner Health Center	\$ 1,380,824
Whittier Street Health Center	\$ 2,665,547

Total Disbursements for FY19:
\$80,811,984

This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2019.

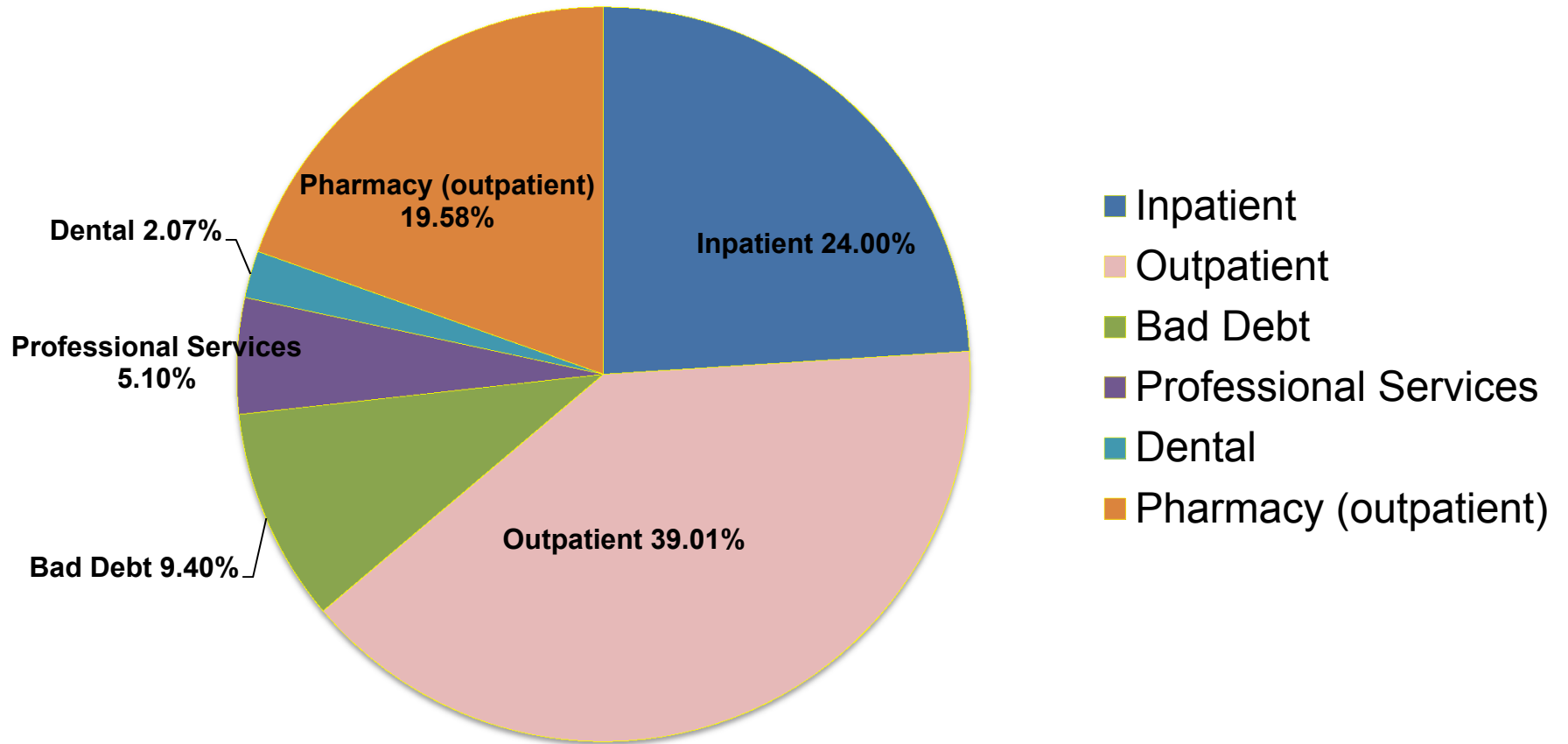
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

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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 reflects 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 9/30/19.



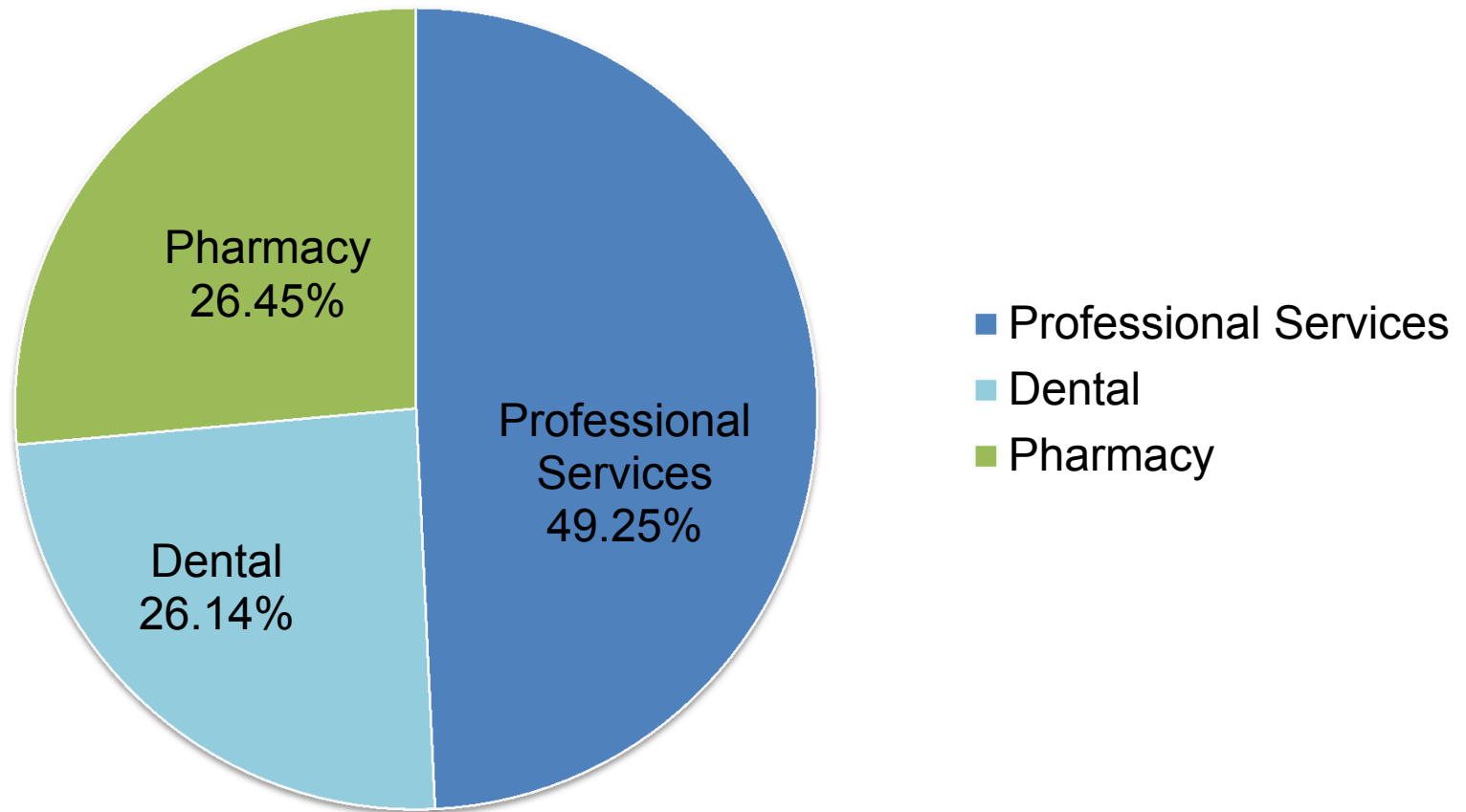
Hospital Demand by Type of Service



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 11/6/19.



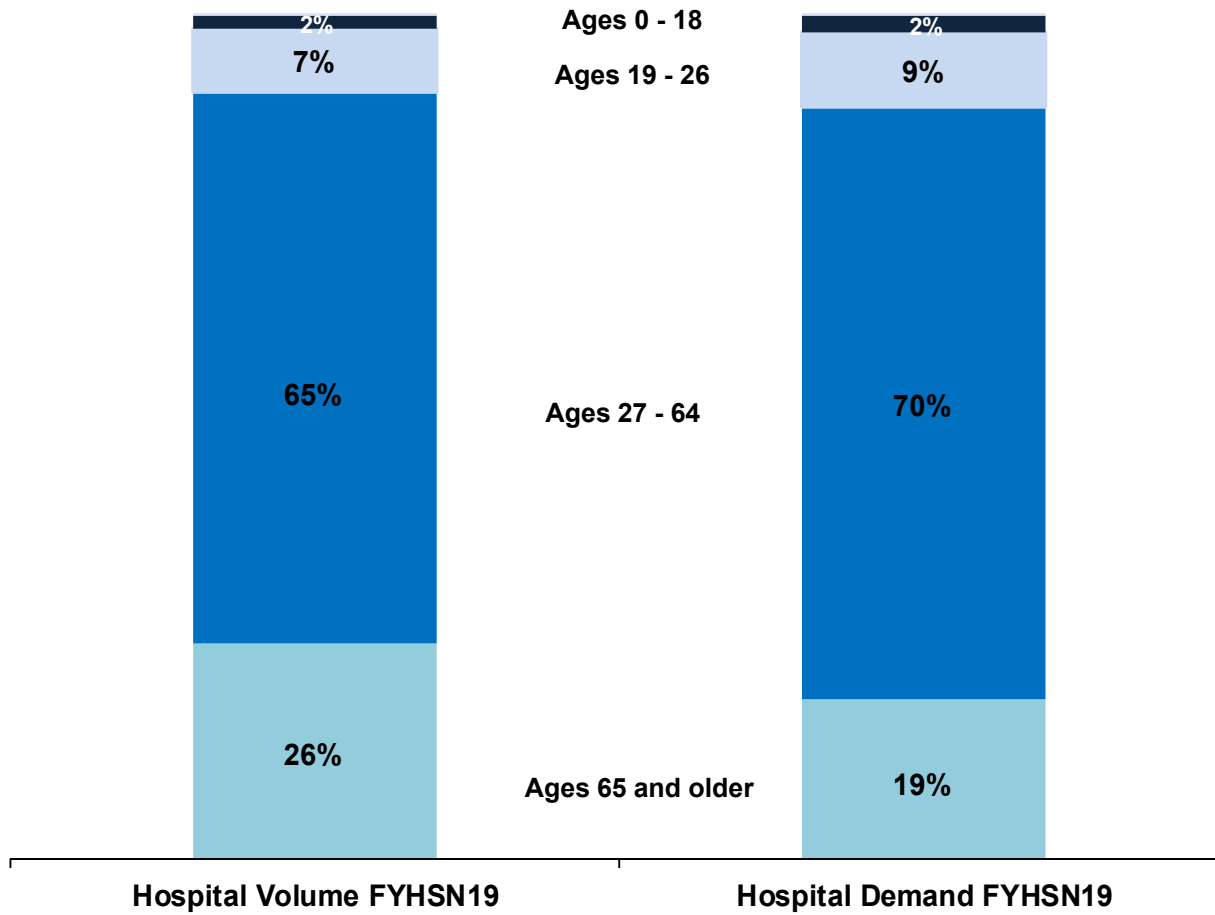
HSN CHC Demand by Type of Service



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 9/30/19.



HSN Hospital Utilization and Demand by Age



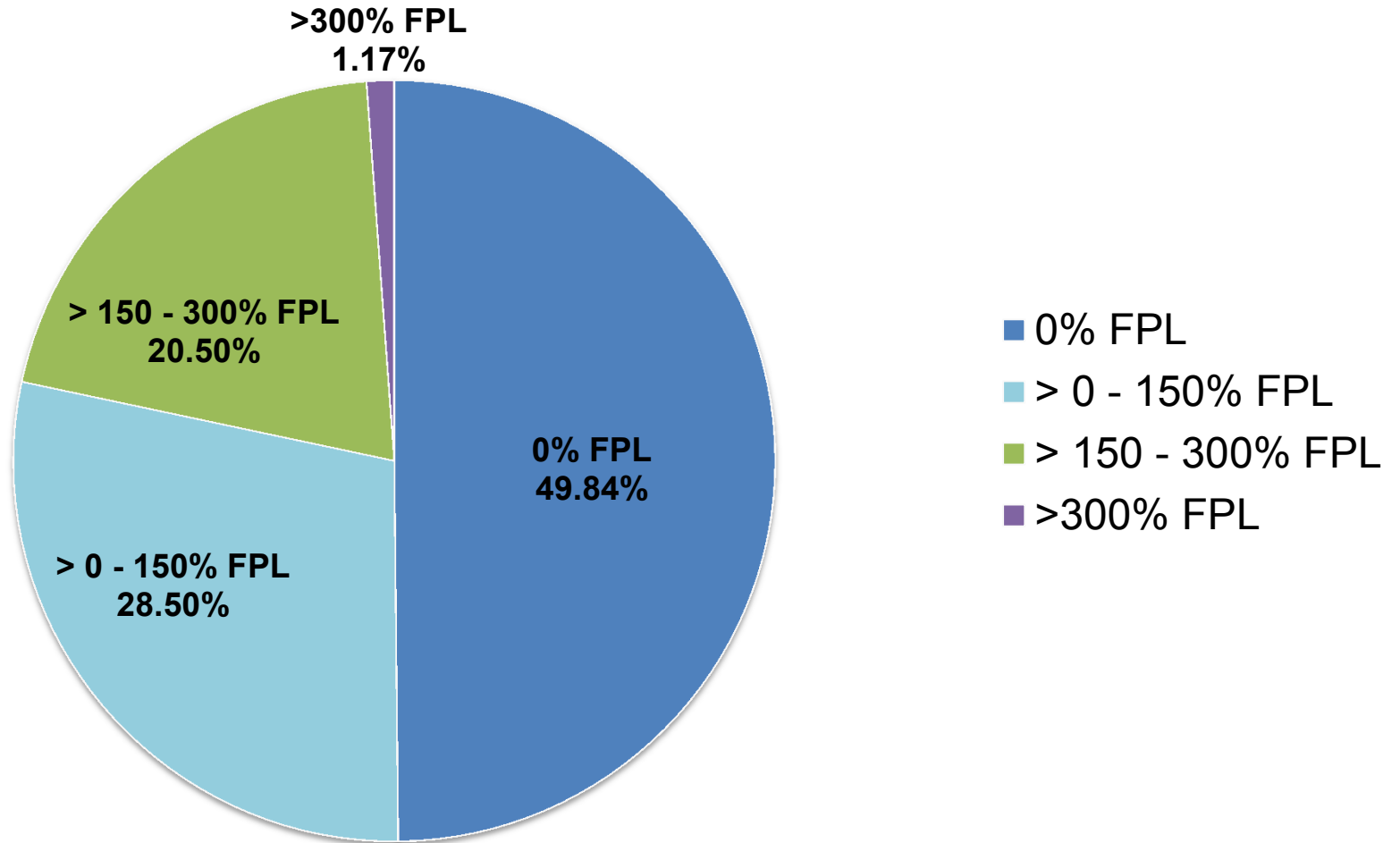
In Health Safety Net fiscal year 2019 (HSNFY19), the non-elderly adult population (ages 19 to 64) accounted for 72% of hospital volume and 79% of hospital demand.

Because the Health Safety Net (HSN) is a secondary payer for low-income Medicare patients, adults ages 65 and older accounted for 26% 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 11/6/19.



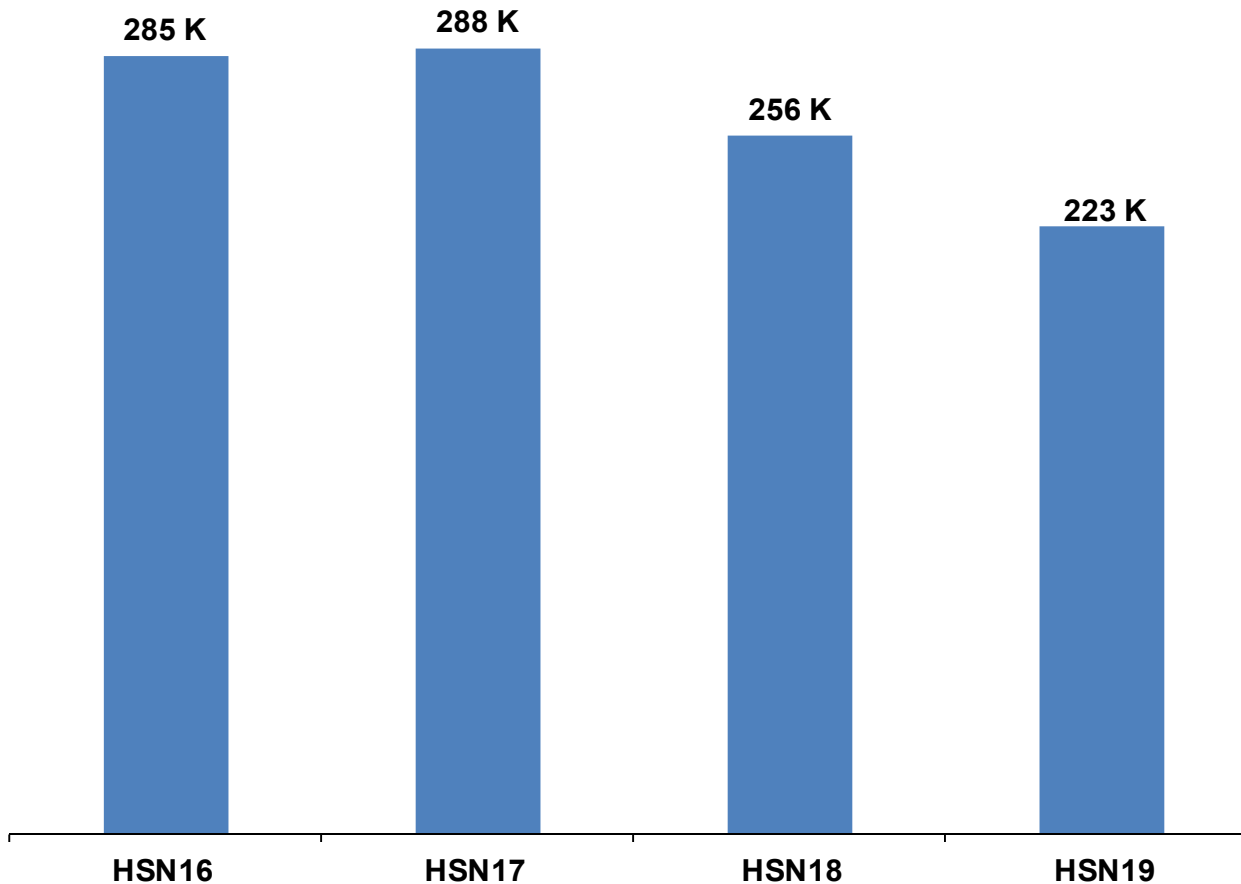
HSN Hospital Utilization by Federal Poverty Level (FPL)



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 11/6/19.



HSN Total User Trends



The Health Safety Net (HSN) estimates it will have made payments for medical and dental services provided to 223K individuals in HSNFY19.

The total number of HSNFY19 patients is estimated based on current claims data and historical claims experience.

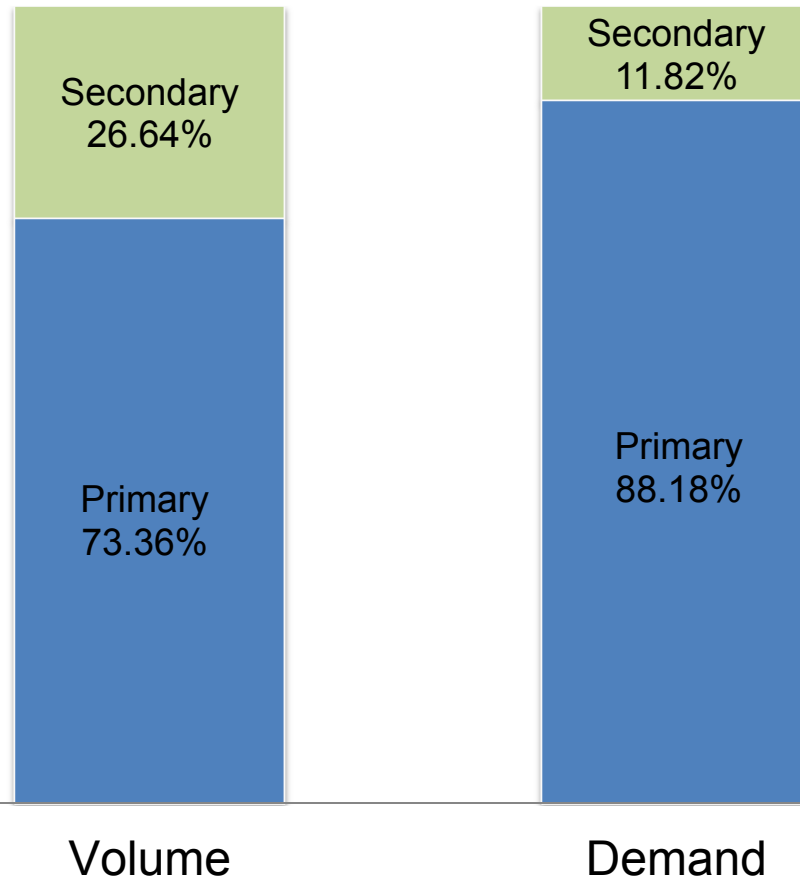
A portion of claims for HSNFY19 dates of service have not yet been submitted. These claims may represent unique patients that are not included in these figures.

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 11/6/19.



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 11/6/2019.

