

Health Safety Net Annual Report



Fiscal Year 2020

June 2021

Table of Contents

Introduction	3
HSN Overview	4
HSN Fiscal Year Updates 2020	7
HSN Total Demand and Payment Trends	8
Hospital Payments & Volumes	9
Community Health Centers (CHC) Disbursements	10
Hospital Demand by Type of Service	11
CHC Demand by Type of Service	12
Utilization by Income (Federal Poverty Level)	13



Introduction

The Executive Office of Health and Human Services (EOHHS) hereby submits this report to the Massachusetts Legislature in compliance with Chapter 227 of the Acts of 2020, 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 2020:

- 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 2020 (HSNFY20), which ran from October 1, 2019 through September 30, 2020.



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.

The HSN funding total for FY20 was \$379,243,482 from 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: \$32,626,134²
- 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 FY20, disbursements were made to Cambridge Health Alliance (\$12,000,000) 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 FY20:

- 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
- Enrollment Grant
 - Six community organizations (Brockton Neighborhood Health Center, East Boston Neighborhood Health Center Corporation, Greater Lawrence Family Health Center, Lowell Community Health Center, Lynn Community Health Inc., and Whittier Street Health Center) were awarded demonstration funding to support increased enrollment in comprehensive health insurance among low-income residents of the Commonwealth: \$1,493,000
- 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.

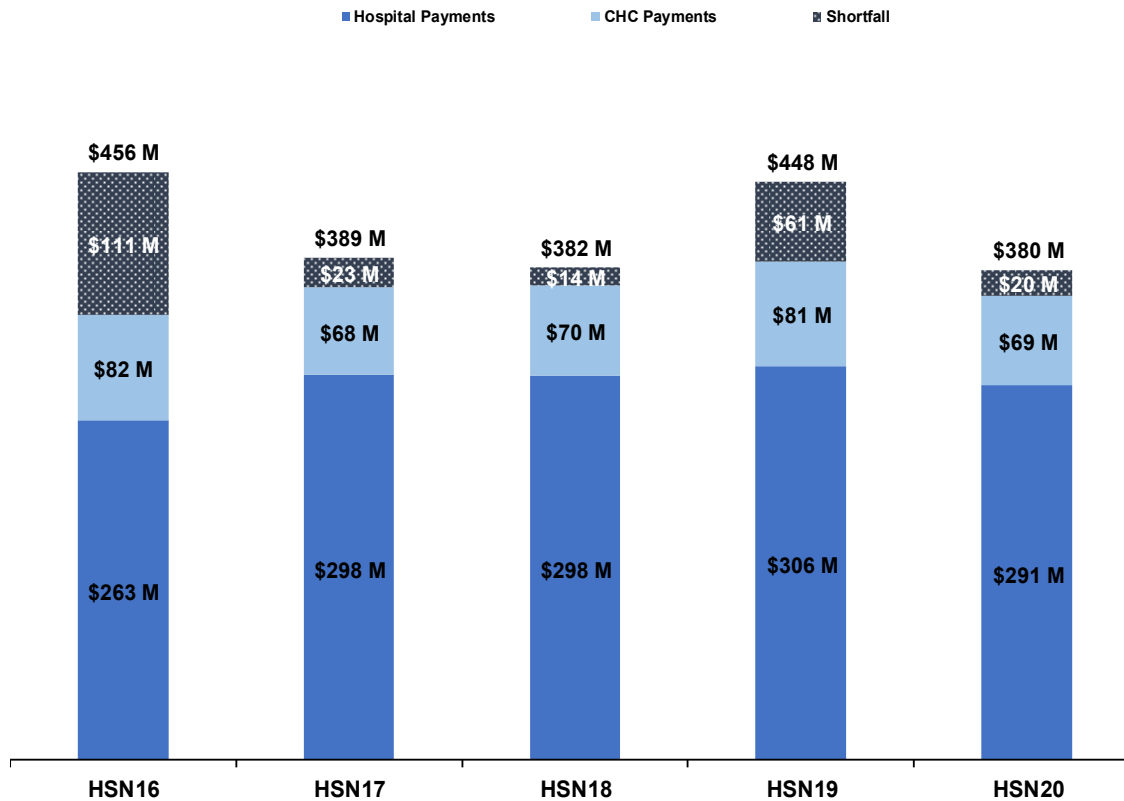


HSN Fiscal Year 2020 Updates

- The HSN shortfall decreased from \$61M during HSNFY19 to \$20M in HSNFY20.
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as mandated by the Massachusetts Budget for FY20.



HSN Total Demand and Payment Trends



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

The HSN shortfall decreased from \$61M during HSNFY19 to \$20M during HSNFY20.

Note: In FY20, the HSN received A \$16M appropriation from the Commonwealth's General Fund (\$15 million towards HSN general fund and \$1M directly for demonstration projects)

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 09/30/20.



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

Hospital	Payments HFY 2020
Anna Jaques Hospital	\$ 613,949
Athol Memorial Hospital	\$ 255,049
Baystate Franklin Medical Center	\$ 489,576
Baystate Mary Lane Hospital	\$ 13,880
Baystate Medical Center	\$ 4,871,604
Baystate Wing Hospital	\$ 717,264
Berkshire Medical Center	\$ 2,632,660
Beth Israel Deaconess Hospital – Plymouth, Inc.	\$ 445,479
Beth Israel Deaconess Medical Center	\$ 9,521,476
BI Deaconess Hospital - Milton	\$ 122,201
Boston Children's Hospital	\$ 5,835,104
Boston Medical Center	\$ 80,053,283
Brigham and Women's Faulkner Hospital	\$ 1,867,388
Brigham and Women's Hospital	\$ 10,197,308
Cape Cod Hospital	\$ 4,778,959
Cooley Dickinson Hospital	\$ 795,143
Dana-Farber Cancer Institute	\$ 9,364,058
Fairview Hospital	\$ 434,406
Falmouth Hospital	\$ 1,205,803
Hallmark Health	\$ 461,393
Harrington Memorial Hospital	\$ 483,482
Health Alliance Hospital	\$ 2,019,577
Heywood Hospital	\$ 560,134
Holyoke Medical Center	\$ 1,112,825
Lahey Clinic	\$ 2,277,032
Lawrence General Hospital	\$ 5,016,586
Lowell General Hospital	\$ 3,987,969
Marlborough Hospital	\$ 1,544,560

Hospital	Payments HFY 2020
Martha's Vineyard Hospital	\$ 2,568,524
Massachusetts Eye and Ear Infirmary	\$ 1,825,372
Massachusetts General Hospital	\$ 32,152,567
Mercy Medical Center	\$ 1,037,773
MetroWest Medical Center	\$ 1,729,082
Milford Regional Medical Center	\$ 800,264
Morton Hospital, A Steward Family Hospital Inc.	\$ 938,547
Mount Auburn Hospital	\$ 1,895,615
Nantucket Cottage Hospital	\$ 673,556
Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 439,750
Newton-Wellesley Hospital	\$ 1,716,384
Noble Hospital	\$ 333,327
North Shore Medical Center	\$ 4,963,892
Northeast Hospital	\$ 2,070,186
Saint Vincent Hospital	\$ 1,932,732
Signature Healthcare Brockton Hospital	\$ 4,040,944
South Shore Hospital	\$ 2,865,838
Southcoast Hospitals Group	\$ 9,506,340
Steward Carney Hospital	\$ 1,702,535
Steward Good Samaritan Medical Center	\$ 2,943,811
Steward Holy Family Hospital	\$ 2,038,849
Steward Norwood Hospital	\$ 819,057
Steward Saint Anne's Hospital	\$ 1,536,130
Steward St. Elizabeth's Medical Center	\$ 2,433,969
Sturdy Memorial Hospital	\$ 1,305,555
Tufts Medical Center	\$ 5,591,507
UMass Memorial Medical Center	\$ 16,445,931
Winchester Hospital	\$ 500,669

Total Hospital Disbursements for FY20:

\$290,486,852¹

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2020 and offset funding from outside sources.

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 2020 will be paid in subsequent fiscal years²

1. The total disbursements listed above includes a legislative special payment to Boston Children's Hospital (\$3,850,000). The list does not include disbursements to Cambridge Health Alliance (\$12,000,000) and Boston Medical Center (\$20,000,000) due to offset funding 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 09/30/20.

2. Remediated claims and calculations are submitted after the conclusion of the HSN fiscal year. Although these claims and calculations are paid in subsequent fiscal years, these claims will be counted against total demand and shortfall for the fiscal year in which it's date of service fell.



HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2020 Total Paid
Boston Health Care for the Homeless Program	\$ 1,640,962
Brockton Neighborhood Health Center	\$ 9,884,301
Caring Health Center, Inc.	\$ 647,412
Charles River Community Health Center	\$ 3,770,329
CHP Health Center	\$ 289,266
Community Health Center of Cape Cod	\$ 1,073,744
Community Health Center of Franklin County, Inc.	\$ 294,569
Community Health Connections Family Health Center	\$ 1,710,598
Dimock Community Health Center	\$ 1,007,771
Duffy Health Center	\$ 121,713
Edward M. Kennedy Community Health Center, Inc.	\$ 6,723,026
Family Health Center of Worcester	\$ 3,215,608
Fenway Community Health Center	\$ 1,657,221
Geiger Gibson Community Health Center	\$ 272,945
Greater Lawrence Family Health Center, Inc.	\$ 5,173,702
Greater New Bedford Community Health Center, Inc.	\$ 2,671,062
Harbor Community Health Center - Hyannis	\$ 2,272,962
Harvard Street Neighborhood Health Center	\$ 1,013,088
HealthFirst Family Care Center, Inc.	\$ 1,770,094
Hilltown Community Health Centers, Inc.	\$ 184,525
Holyoke Health Center	\$ 2,109,920
Island Health Care	\$ 262,077
Lowell Community Health Center	\$ 5,582,119
Lynn Community Health Center	\$ 6,077,852
Manet Community Health Center, Inc.	\$ 637,411
Mattapan Community Health Center	\$ 433,629
Neponset Health Center	\$ 282,287
North End Waterfront Health	\$ 340,574
North Shore Community Health, Inc.	\$ 2,306,777
Outer Cape Health Services, Inc.	\$ 326,659
South Cove Community Health Center	\$ 1,400,492
South End Community Health Center	\$ 836,496
Springfield Health Services for the Homeless	\$ 43,827
Stanley Street Treatment and Resources (SSTAR)	\$ 213,642
Upham's Corner Health Center	\$ 898,618
Whittier Street Health Center	\$ 2,041,876

Total Disbursements for FY20:

\$69,189,154

This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2020.

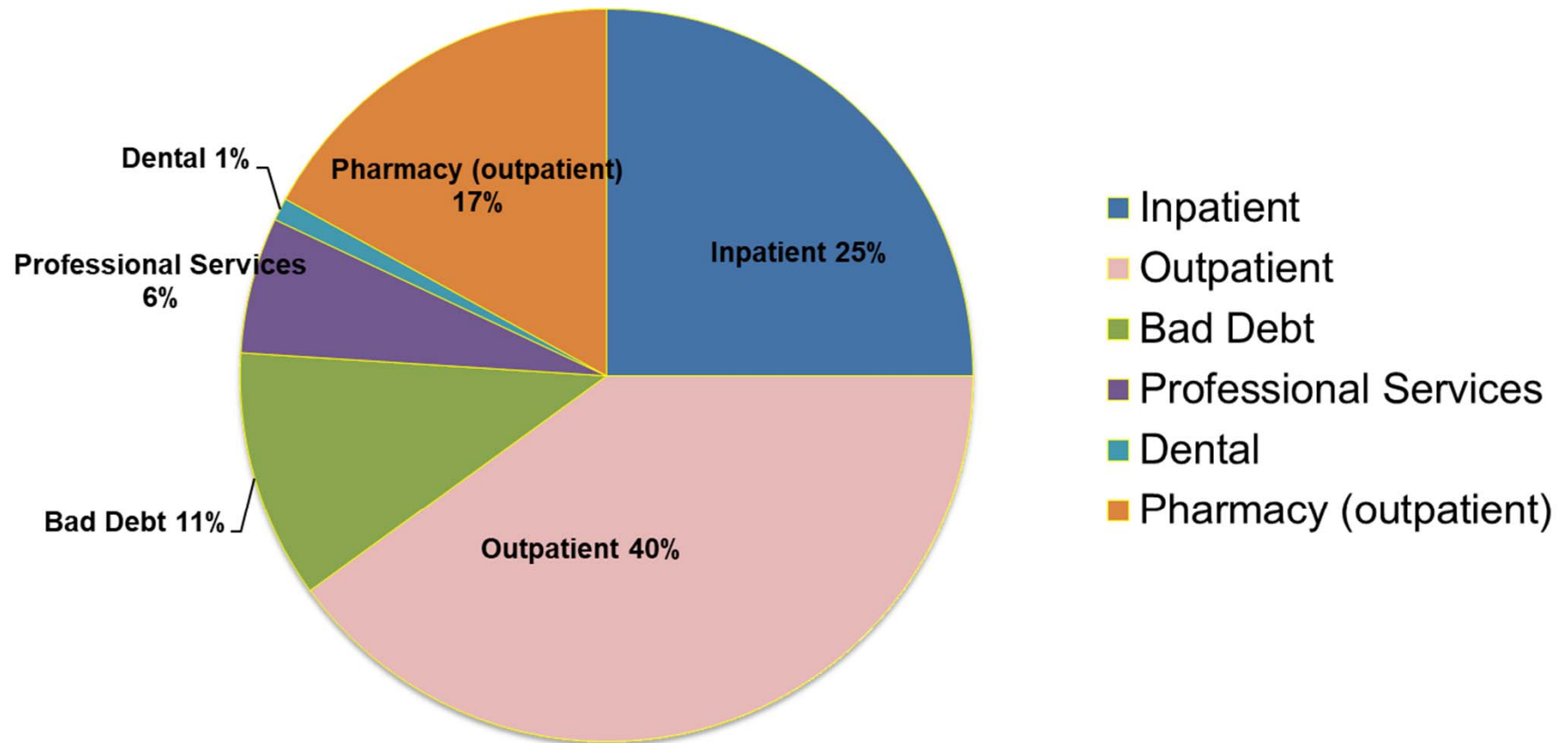
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2020 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 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 9/30/20.



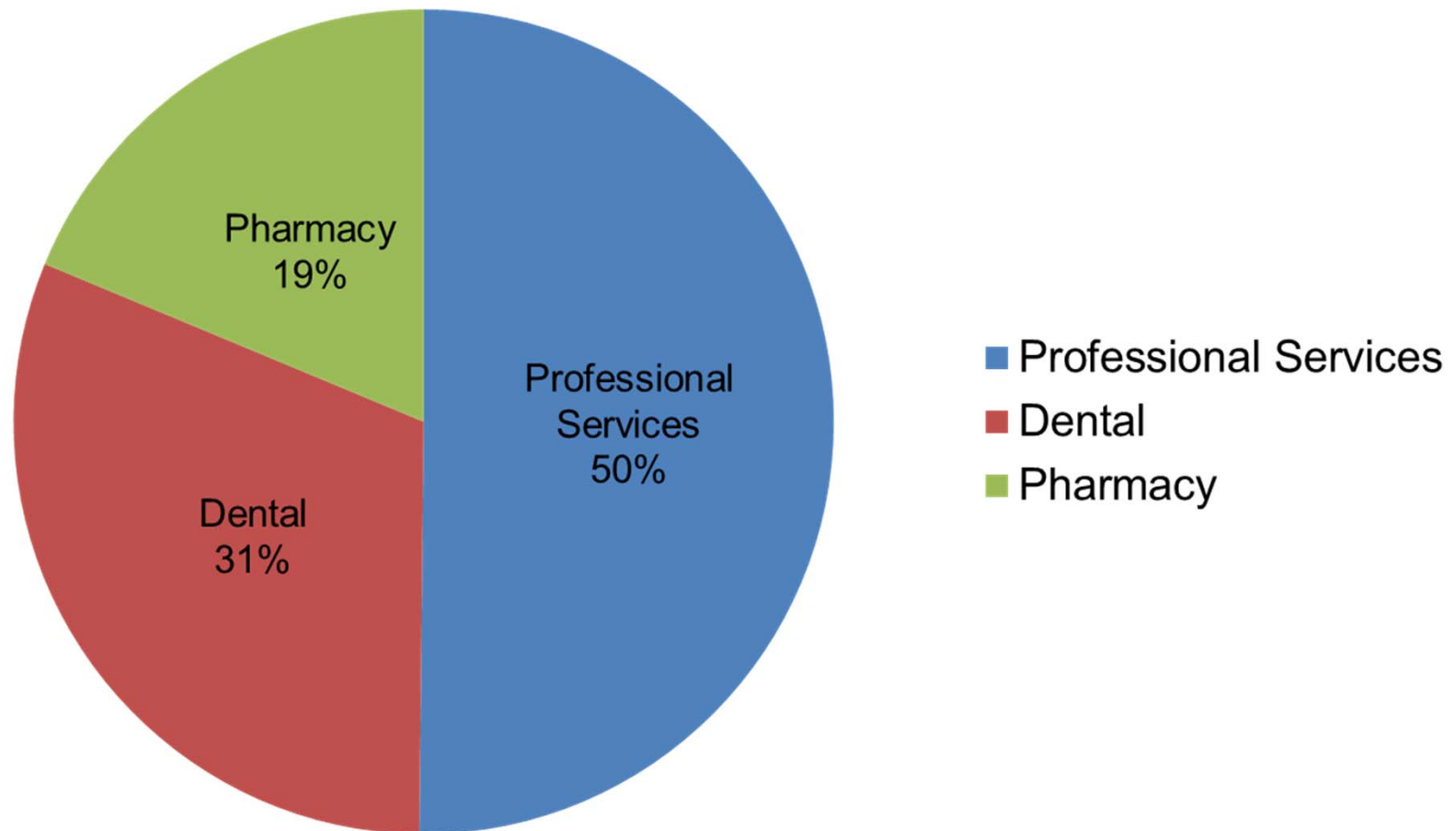
Hospital Demand by Type of Service



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 **11/17/2020**.



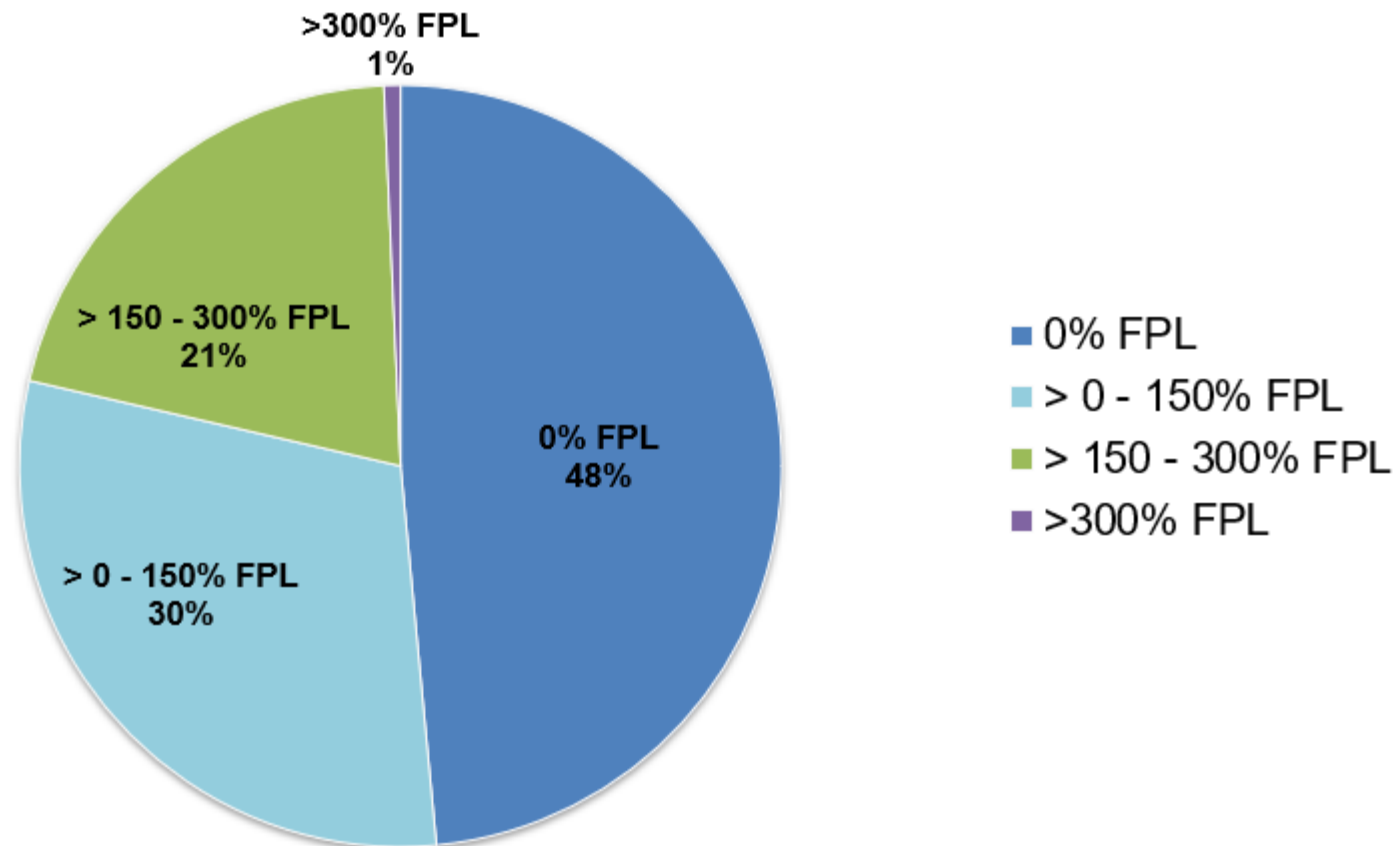
HSN CHC Demand by Type of Service



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 9/30/20.



HSN Hospital Utilization by Federal Poverty Level (FPL)



Notes: Please note dental payment information is not included in the above calculation. 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 9/30/2020.

