

Health Safety Net Annual Report



Fiscal Year 2021

March 1, 2022

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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 227 of the Acts of 2021, 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 2021:

- 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 2021 (HSNFY21), which ran from October 1, 2020 through September 30, 2021.



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 FY21 was \$346,617,348 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
- A \$16 million appropriation from the Commonwealth's General Fund.²

1. \$10,617,347 is used for HSN administrative funding.

2. \$15M in funding for the Health Safety Net. \$1M in additional funding for demonstration projects.

3. In FY21, disbursements were made to Cambridge Health Alliance (\$50,000,000) and Boston Medical Center (\$20,000,000) due to offset funding for uncompensated care from other sources.



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 FY21:

- 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: \$2,375,609
- 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.

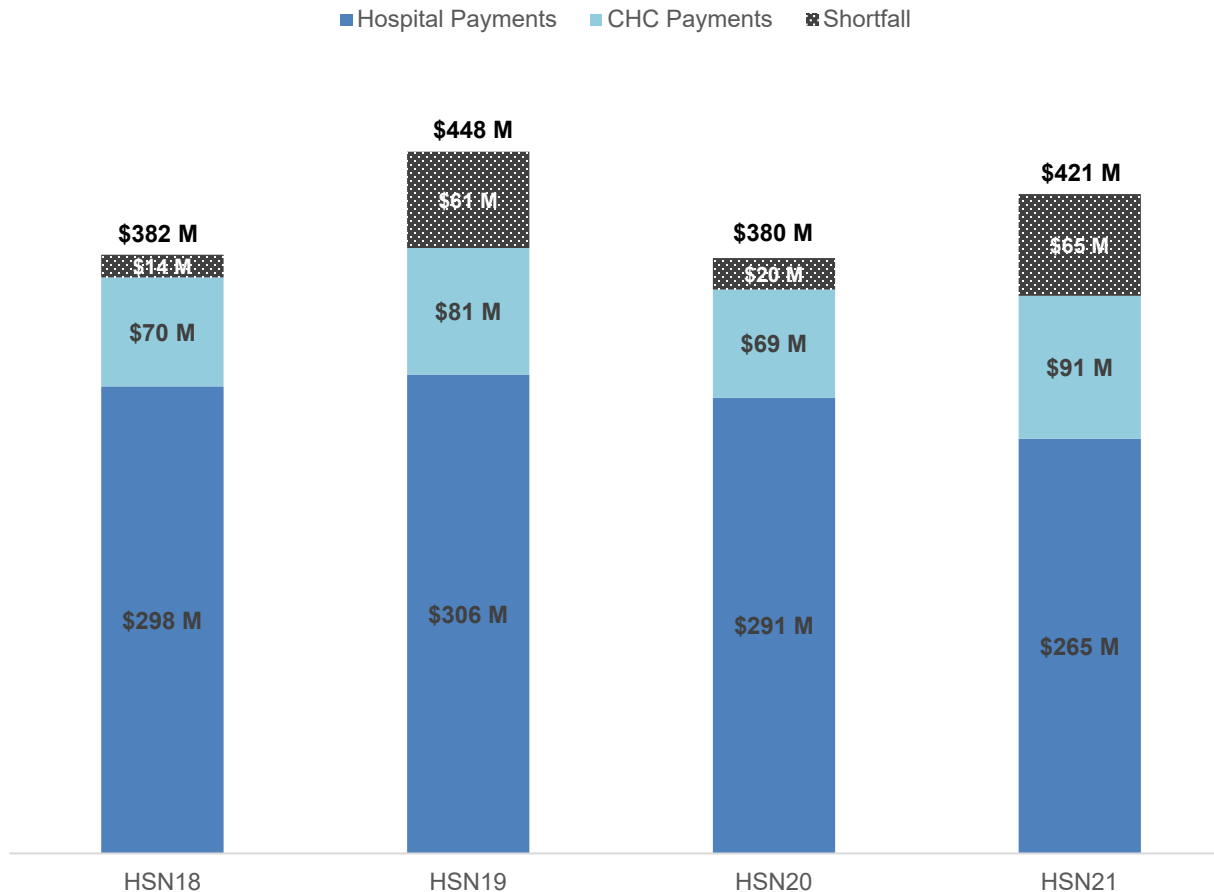


HSN Fiscal Year 2021 Updates

- The HSN shortfall increased from \$20M during HSNFY20 to \$65M during HSNFY21
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as mandated by the Massachusetts Budget for FY21.



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 increased from \$20M during HSNFY20 to \$65M during HSNFY21.

Note: In FY21, 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 09/30/21.



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

Hospital	Payments
Anna Jaques Hospital	\$ 307,496
Athol Memorial Hospital	\$ 88,922
Baystate Franklin Medical Center	\$ 598,634
Baystate Medical Center	\$ 6,413,810
Baystate Wing Hospital	\$ 862,603
Berkshire Medical Center	\$ 3,601,954
Beth Israel Deaconess Hospital – Plymouth, Inc.	\$ 402,328
Beth Israel Deaconess Medical Center	\$ 10,380,130
Boston Children's Hospital	\$ 3,850,000
Boston Medical Center	\$ 103,744,693
Brigham and Women's Faulkner Hospital	\$ 1,519,068
Brigham and Women's Hospital	\$ 6,596,008
Cambridge Health Alliance	\$ 548,744
Cape Cod Hospital	\$ 3,781,037
Cooley Dickinson Hospital	\$ 660,460
Dana-Farber Cancer Institute	\$ 7,670,816
Emerson Hospital	\$ 19,035
Fairview Hospital	\$ 528,398
Falmouth Hospital	\$ 682,930
Hallmark Health	\$ 650,973
Harrington Memorial Hospital	\$ 601,466
Health Alliance Hospital	\$ 1,758,599
Heywood Hospital	\$ 293,609
Holyoke Medical Center	\$ 798,575
Lawrence General Hospital	\$ 4,415,029
Lowell General Hospital	\$ 3,340,040

Hospital	Payments
Marlborough Hospital	\$ 1,676,414
Martha's Vineyard Hospital	\$ 2,249,078
Massachusetts Eye and Ear Infirmary	\$ 2,061,045
Massachusetts General Hospital	\$ 31,823,717
Mercy Medical Center	\$ 1,125,425
MetroWest Medical Center	\$ 1,585,704
Morton Hospital, A Steward Family Hospital Inc.	\$ 884,615
Mount Auburn Hospital	\$ 1,830,512
Nantucket Cottage Hospital	\$ 466,174
Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 389,207
Newton-Wellesley Hospital	\$ 324,026
Noble Hospital	\$ 279,684
North Shore Medical Center	\$ 5,019,155
Northeast Hospital	\$ 1,654,369
Saint Vincent Hospital	\$ 1,102,808
Signature Healthcare Brockton Hospital	\$ 3,478,939
South Shore Hospital	\$ 1,062,472
Southcoast Hospitals Group	\$ 7,760,721
Steward Carney Hospital	\$ 1,156,137
Steward Good Samaritan Medical Center	\$ 2,035,026
Steward Holy Family Hospital	\$ 2,032,095
Steward Norwood Hospital	\$ 331,396
Steward Saint Anne's Hospital	\$ 1,819,174
Steward St. Elizabeth's Medical Center	\$ 2,333,373
Sturdy Memorial Hospital	\$ 1,013,196
Tufts Medical Center	\$ 6,728,248
UMass Memorial Medical Center	\$ 18,374,927

Total Hospital Disbursements for FY21:

\$264,712,996¹

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2021 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 2021 will be paid in subsequent fiscal years.²

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 09/30/21.

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	FY2021 Total Paid
Boston Health Care for the Homeless Program	\$ 2,093,784
Brockton Neighborhood Health Center	\$ 10,893,769
Caring Health Center, Inc.	\$ 838,585
Charles River Community Health Center	\$ 5,119,284
CHP Health Center	\$ 363,626
Community Health Center of Cape Cod	\$ 1,461,879
Community Health Center of Franklin County, Inc.	\$ 344,270
Community Health Connections Family Health Center	\$ 3,230,253
Dimock Community Health Center	\$ 1,361,420
Duffy Health Center	\$ 170,963
Edward M. Kennedy Community Health Center, Inc.	\$ 9,703,821
Family Health Center of Worcester	\$ 3,998,129
Fenway Community Health Center	\$ 2,471,083
Geiger Gibson Community Health Center	\$ 260,720
Greater Lawrence Family Health Center, Inc.	\$ 8,130,237
Greater New Bedford Community Health Center, Inc.	\$ 3,320,337
Harbor Community Health Center - Hyannis	\$ 3,012,416
Harvard Street Neighborhood Health Center	\$ 1,422,326
HealthFirst Family Care Center, Inc.	\$ 2,312,963
Hilltown Community Health Centers, Inc.	\$ 265,585
Holyoke Health Center	\$ 2,864,366
Island Health Care	\$ 574,130
Lowell Community Health Center	\$ 6,929,312
Lynn Community Health Center	\$ 7,882,858
Manet Community Health Center, Inc.	\$ 919,183
Mattapan Community Health Center	\$ 696,115
Neponset Health Center	\$ 489,967
North End Waterfront Health	\$ 687,307
North Shore Community Health, Inc.	\$ 2,574,842
Outer Cape Health Services, Inc.	\$ 608,498
South Cove Community Health Center	\$ 1,987,673
South End Community Health Center	\$ 22,457
Springfield Health Services for the Homeless	\$ 22,021
Stanley Street Treatment and Resources (SSTAR)	\$ 300,328
Upham's Corner Health Center	\$ 1,359,229
Whittier Street Health Center	\$ 2,466,329

Total Disbursements for FY21:
\$91,160,066

This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2021.

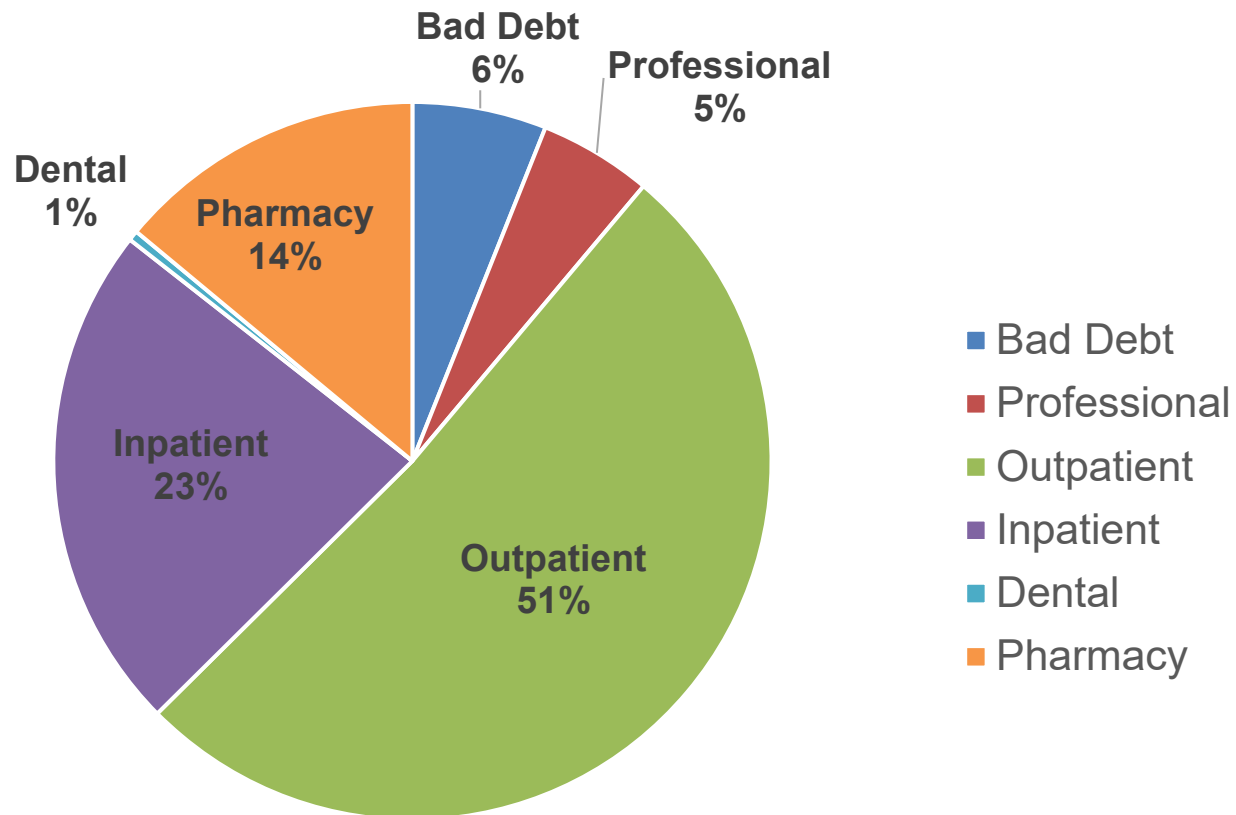
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2021 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 9/30/21.



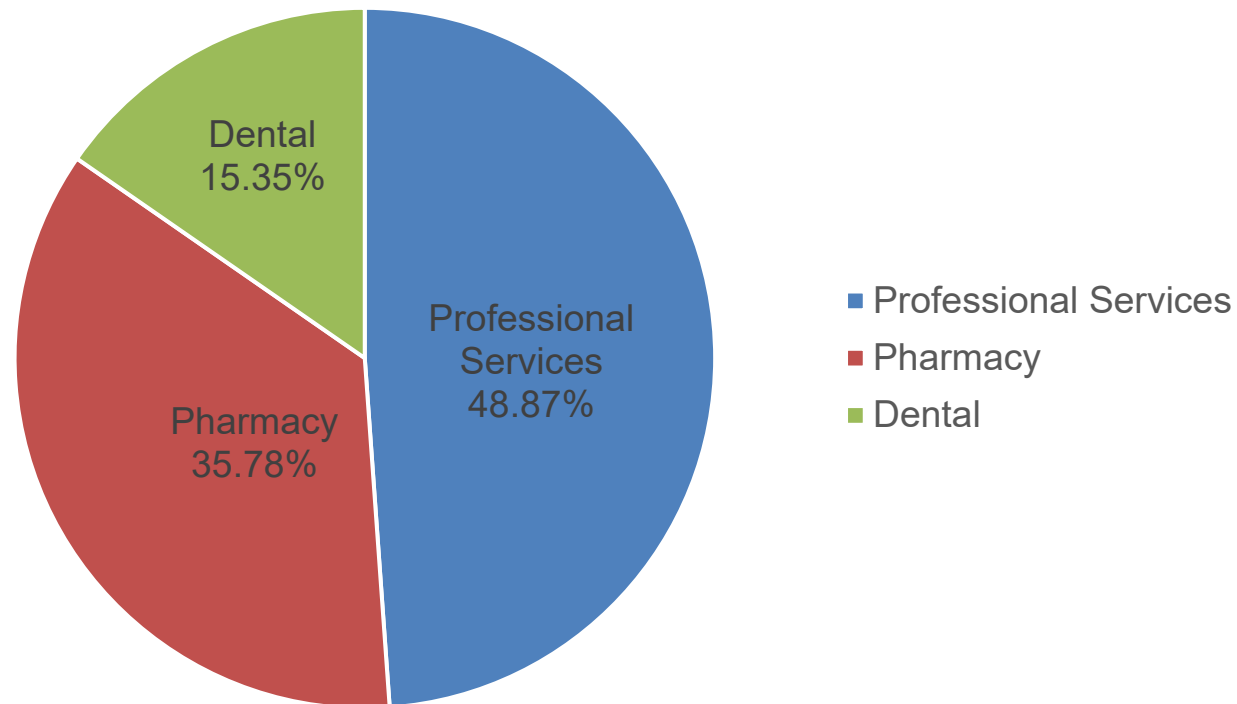
Hospital Demand by Type of Service



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**.



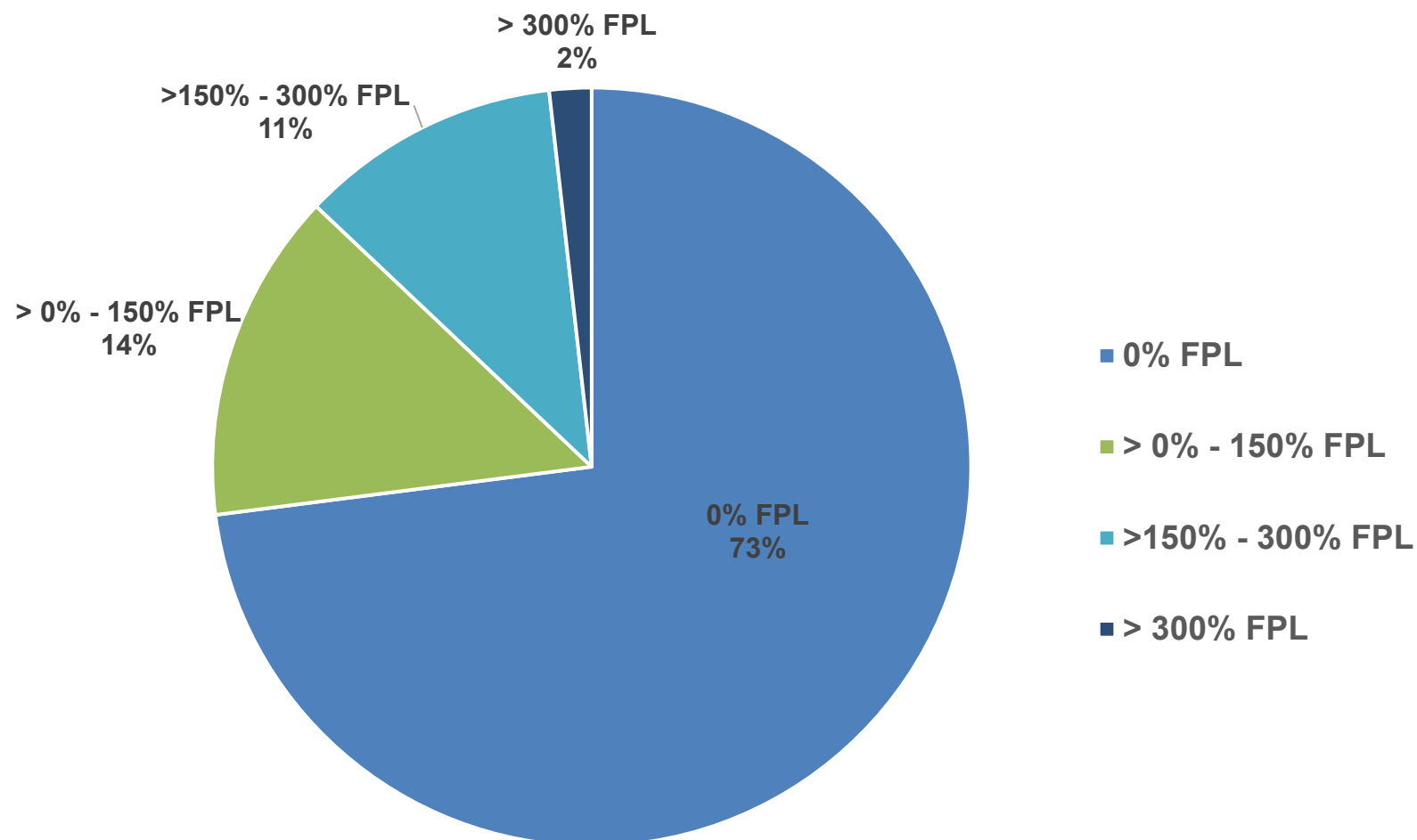
HSN CHC Demand by Type of Service



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 9/30/21.



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 9/30/2021.

