

Massachusetts 1115 MassHealth Waiver Approval – November 4, 2016

Frequently Asked Questions (FAQs)

Overview/Finance

1) Question: What does it mean that the Waiver was approved? When does it begin?

Answer: *The Commonwealth and the federal Centers for Medicare and Medicaid Services (CMS) have reached agreement and finalized terms to amend and extend our current 1115 MassHealth Demonstration (often referred to as the Waiver), which starts immediately and goes through June 30, 2022. Almost 2 million MassHealth members receive health care services authorized through the Waiver. The amended and extended Waiver authorizes MassHealth to expand the health care delivery options available to MassHealth members to include Accountable Care Organizations (ACOs), a model of care that uses provider led organizations to better integrate and manage member care, expands the substance abuse treatment services available for MassHealth members and assures the availability of significant federal funds to preserve and stabilize Massachusetts' health safety net providers.*

2) Question: Does this supersede the current Waiver?

Answer: *Yes. The amended and extended Waiver is effective immediately.*

3) Question: How does the new Waiver impact the Safety Net Care Pool (SNCP) funding that was at risk in the old Waiver?

Answer: *Through the amendment, the Commonwealth has the authority to claim federal match for up to \$4.5 billion in Safety Net Care Pool expenditures from July 1, 2014 through June 30, 2017. The extension gives the Commonwealth authority to claim federal match for up to \$7.8 billion in Safety Net Care Pool expenditures in SFY18-SFY22. This authority will enable the Commonwealth to preserve and sustain key programs and initiatives, while also transitioning to Accountable Care Organizations and Community Partner organizations that receive payments based on quality performance as defined by specific metrics established by MassHealth.*

4) Question: How does the Waiver support safety net hospitals throughout the Commonwealth?

Answer: *The Waiver provides critical support to hospitals throughout the Commonwealth. To begin with, under the Waiver, the number of safety net hospitals expands from seven to fifteen. The Waiver bolsters safety net funding, with over \$4 billion in funding authorized through the Safety Net Care Pool to directly support Massachusetts hospitals serving significant Medicaid and uninsured populations. In addition, this Waiver authorizes federal matching funds for up to \$1.8B in Delivery System Reform Incentive Payments over the next five years, a significant portion of which will be used to fund hospitals participating in ACOs to transform care delivery and develop strategies to control costs in the long-term (see more on DSRIP in question 7, below).*

CMS has authorized an increase in expenditure authority for payments to safety net hospitals, subject to certain performance requirements. In addition to expanding authority for the Health Safety Net, which provides funding to all acute hospitals that claim payments for delivering

services to the uninsured, the Waiver authorizes over \$800 million in funding for fourteen safety net hospitals in the Commonwealth over the next five years. This includes six hospitals that have historically participated in the Delivery System Transformation Initiative (DSTI) in addition to eight other hospitals. Eligible hospitals were determined based on high Medicaid and uninsured volumes, relatively low commercial volumes, and demonstrated financial need in delivering services to Medicaid and uninsured populations. EOHHS will condition safety net payments to hospitals based on meaningful participation in MassHealth managed care networks, at an appropriate fee schedule. Pending such requirements, the budgeted safety net payments are as follows:

| Hospital Provider | SFY18 (\$M) | SFY19 (\$M) | SFY20 (\$M) | SFY21 (\$M) | SFY22 (\$M) | Five-Year Total |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Boston Medical Center | \$97.91 | \$96.64 | \$96.64 | \$96.64 | \$95.65 | \$483.48 |
| Holyoke Medical Center | \$5.90 | \$5.90 | \$5.90 | \$5.90 | \$5.90 | \$29.50 |
| Lawrence General Hospital | \$12.00 | \$11.73 | \$11.36 | \$11.09 | \$10.42 | \$56.60 |
| Mercy Medical Center | \$11.82 | \$11.45 | \$11.09 | \$11.02 | \$10.95 | \$56.33 |
| Signature Healthcare Brockton Hospital | \$13.36 | \$12.73 | \$12.27 | \$12.09 | \$12.06 | \$62.51 |
| Steward Carney Hospital | \$4.65 | \$4.65 | \$4.65 | \$4.65 | \$4.65 | \$23.25 |
| Baystate Medical Center | \$5.61 | \$5.61 | \$5.61 | \$5.61 | \$5.61 | \$28.05 |
| North Shore Medical Center | \$3.37 | \$3.37 | \$3.37 | \$3.37 | \$3.37 | \$16.85 |
| Southcoast Hospital Group | \$4.07 | \$4.07 | \$4.07 | \$4.07 | \$4.07 | \$20.35 |
| Tufts Medical Center | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$3.40 | \$17.00 |
| Morton Hospital | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$0.50 | \$2.50 |
| Franklin Medical Center | \$0.47 | \$0.47 | \$0.47 | \$0.47 | \$0.47 | \$2.35 |
| Berkshire Medical Center | \$1.63 | \$1.63 | \$1.63 | \$1.63 | \$1.63 | \$8.15 |
| Good Samaritan Hospital | \$0.95 | \$0.95 | \$0.95 | \$0.95 | \$0.95 | \$4.75 |
| Total | \$165.64 | \$163.10 | \$161.91 | \$161.39 | \$159.63 | \$811.67 |

A fifteenth safety net hospital, Cambridge Health Alliance, will be supported through a number of performance-based incentive payments, including Public Hospitals Transformation and Incentive Initiatives and managed care directed quality incentive programs.

5) Question: What does this agreement do to the safety net that makes payments on behalf of the 3 percent of people not insured?

Answer: This Waiver provides authority for over \$4 billion in funding support for providers to deliver services to Massachusetts residents who are uninsured or underinsured. Authorized funding streams include the Health Safety Net, safety net provider payments, support for Department of Public Health and Department of Mental Health hospitals, and other critical vehicles to insure that all residents can access high-quality and affordable services.

6) Question: How will MA save money, or "bend the cost trend", with the Waiver?

Answer: *This Waiver contemplates a shift in the Commonwealth toward accountable care, a framework for delivering services that rewards value and is expected to bend the cost trend in the medium- to long-term. In addition, this Waiver reflects the Commonwealth's commitment to providing a sustainable downward glide path for key safety net hospitals' supplemental payments, which will increasingly shift toward accountable, incentive-based structures as those hospitals participate in accountable care funding structures.*

7) Question: What is DSRIP funding, and how will it help us?

Answer: *Beginning in State Fiscal Year 2018, the Waiver authorizes the Commonwealth to implement a Delivery System Reform Incentive Payment (DSRIP) program that supports the development of ACOs throughout the state. DSRIP funds will help providers transition towards new care delivery models, improve member care and experience, and strengthen provider capacity. CMS has provided expenditure authority of \$1.8 billion over 5 years for the MassHealth DSRIP program. This authority will only be available for this period as a one-time federal investment in delivery system reform within Massachusetts, and will end after the 5-year DSRIP period. Over the 5-year DSRIP period, DSRIP funding will phase down as programs become sustainable. The State's DSRIP expenditure authority is partially at risk based on the State's performance on a range of metrics, including metrics related to reduction in the growth rate of costs of care, metrics related to quality, and metrics related to ACO implementation.*

The State will use DSRIP funds to support several key reform initiatives. One stream of DSRIP funds will support ACOs for care coordination and infrastructure costs a second will support Behavioral Health and LTSS Community Partners for development of infrastructure and implementation of care coordination activities, and a third stream of funds will support specific state-wide initiatives intended to support ACO development. This third funding stream includes funding to support primary care providers employed at community health centers, support to providers to prepare for participation in Alternative Payment Methodologies, investments to address the boarding of members with substance use disorders or mental illness in emergency departments, and improved accessibility to medical care for people with disabilities. A portion of DSRIP funding will also support ACOs in testing certain approved services ("flexible services") not otherwise covered by MassHealth, intended to address the social determinants of health.

Program/Expansion

8) Question: What services are you expanding?

Answer: *The Waiver authorizes MassHealth to significantly expand treatments for MassHealth Members who are struggling with opioid addiction and other substance use disorders. These new services will be available to MassHealth members who need them whether they receive MassHealth services through ACOs, managed care, or fee-for-service. In addition, MassHealth will use DSRIP funding to pay for certain approved flexible services for members enrolled in ACOs, which are intended to address the social determinants of health.*

9) Question: Does the Waiver expand the CommonHealth program?

Answer: *The CommonHealth program is one of the crucial ways that MassHealth supports Massachusetts residents with disabilities. The program currently provides coverage to working and non- working adults and to children with disabilities. The Waiver allows MassHealth to claim*

federal matching funds (FFP) for CommonHealth coverage for eligible members over age 65 who are working 40 hours per month or more. These federal funds help MassHealth ensure the sustainability of this important coverage for our members with disabilities over age 65 currently being funded at all state cost.

10) Question: How does the Waiver impact the Student Health Insurance Program (SHIP)? When will these changes go into effect?

***Answer:** The Waiver provides MassHealth the authority to require eligible MassHealth Members to enroll in a Student Health Insurance Plan (SHIP). Under the terms of the Waiver, individuals who are enrolled in a cost-effective plan through the Student Health Insurance Program will be continuously eligible for MassHealth for a period of up to 12 months while enrolled in the SHIP plan, until the end of the policy year.*

The Commonwealth will redetermine the individual's eligibility at the completion of each policy year to ensure that the individual remains eligible for MassHealth.

11) Question: Are copayment and premium amounts changing? When are these changes going into effect?

***Answer:** Yes, MassHealth is planning to update copayment rules and premium schedules in 2018, based on authority in the Waiver. MassHealth will not exceed federal cost-sharing limits (5% of family income), will charge nominal copays, and will continue to charge premiums only for members with income over 150% of the federal poverty level (FPL), set at 3% of income. The Waiver also authorizes MassHealth to offer lower copayment amounts as an incentive for managed care eligible members to enroll in MCOs or ACOs. Populations exempt from copays today will continue to be exempt from copays under this agreement.*

12) Question: Is MassHealth reducing benefits in the PCC Plan?

***Answer:** No. MassHealth Members who enroll in the PCC Plan will have the same covered benefits as Members who enroll in an MCO or ACO. PCC Plan Members will have higher copays. (Please see question 11, above.) Members in the PCC Plan can choose to disenroll from the PCC Plan and enroll in an MCO or ACO at any time.*

13) Question: Does the Waiver help ConnectorCare enrollees?

***Answer:** Yes. CMS authorized expanded federal matching funds (FFP) for cost sharing and premium subsidies as well as gap coverage through the Health Safety Net for eligible individuals in the 100-day window between being determined eligible for ConnectorCare and enrolling in a health plan. This expanded federal support helps the Commonwealth preserve ConnectorCare subsidies sustainably over the long term.*

ACOs/Delivery System

14) Question: What are ACOs and how will they work?

***Answer:** MassHealth Accountable Care Organizations (ACOs) are partnerships formed by providers (and, in some cases, health plans), that are selected by EOHHS and certified by the*

Health Policy Commission. MassHealth ACOs will contract with MassHealth and, in some circumstances, with the MassHealth MCOs, to take financial accountability for the cost and quality of care for defined member populations. MassHealth ACOs will be paid under payment models that reward high-value, rather than high-volume care. MassHealth ACOs will also be contractually responsible and financially incentivized for the coordination of care among providers; integration across domains of care (particularly physical health, behavioral health, long term services and supports, and social services); prevention of avoidable utilization (e.g., avoidable emergency department use and hospital readmissions); clinical quality and member experience of care; and protection of member rights.

MassHealth will implement an ACO Pilot program starting in December 2016 to test certain components of the ACO reforms. MassHealth will then implement three full-scale ACO models at the end of 2017, providing a range of options for members to choose from.

The three ACO models are:

- *Accountable Care Partnership Plans (Partnership Plans) – managed care organizations (MCOs), each with a closely and exclusively partnered ACO with which the MCO collaborates to provide vertically integrated, coordinated care under a global payment;*
- *Primary Care ACOs – provider-led ACOs that contract directly with MassHealth to take financial accountability for a defined population of enrolled members through retrospective shared savings and risk, and potentially more advanced payment arrangements;*
- *MCO-Administered ACOs – provider-led ACOs that contract directly with MCOs to take financial accountability for the MCO enrollees they serve through retrospective shared savings and risk*

Additional detail on the ACO models can be found at <http://www.mass.gov/hhs/masshealth-innovations>.

15) Question: What is MassHealth’s timeline and process for establishing ACOs?

Answer: *MassHealth will select and contract with MassHealth ACOs through a competitive procurement process. The Request for Responses for Accountable Care Organizations was released on [COMMBUYS](#) in September 2016. MassHealth anticipates contracting with ACOs in the summer of 2017, and anticipates a full operational launch of the ACO program at the end of calendar year 2017.*

16) Question: Have any other states tried reforming with ACOs?

Answer: *Yes. MassHealth’s ACO reform is the latest in a wave of Medicaid accountable care and value-based payment reforms across the country, including reforms in Oregon, Minnesota, New Jersey, New York, Colorado, and other states. Also, the Medicare program has been running ACO programs for a number of years. The first of several Medicare ACOs in Massachusetts was launched in 2012. Commercial payers in the state, like BlueCross BlueShield of Massachusetts, have implemented similar accountable care models, such as the Alternative Quality Contract. MassHealth’s ACO reforms draw heavily from learnings from these programs.*

Additionally, the Center for Medicare and Medicaid Services (CMS), which is the federal regulatory and funding partner for MassHealth, is striving to increase the percentage of

accountable care and value-based payment across its programs as a key component of its strategy. Massachusetts' own healthcare cost control legislation, Chapter 224 of the Acts of 2012, included targets for the MassHealth agency to significantly expand the use of such payment models to improve the quality and efficiency of the program, and provided a legislative mandate for the state's reform strategy.

17) Question: Which MassHealth members are eligible to enroll in an ACO? How will members know they are receiving care in ACOs?

***Answer:** MassHealth members who are managed care eligible will continue to be able to select their enrollment from among available options, as they do today. Upon the full implementation of the ACO reforms, these options will include the ability to enroll in certain ACOs. Members who do not select an enrollment option will be assigned to one of the available options, as happens today. MassHealth will notify eligible members of their available options, and will also notify members upon enrollment or assignment, as happens today. MassHealth members will continue to have non-ACO options, including the MassHealth PCC Plan and MassHealth MCOs.*

18) Question: What are Community Partners? How will they work with ACOs and MCOs?

***Answer:** In order to better support members with complex behavioral health (BH) or LTSS needs and their families, MassHealth will certify qualified Community Partners (CPs). CPs are community-based entities with experience in BH and/or LTSS, and will help members navigate the system of care. MCOs and ACOs will be required to partner with CPs. CPs may be expected to contract with multiple MCOs and ACOs.*

The objectives of CPs are to:

- Improve member experience and quality of care for members with BH and LTSS needs who are enrolled in MCOs and ACOs*
- Improve continuity of care for members with BH needs and ensure appropriate setting and level of care for members with LTSS needs*
- Create opportunity for ACOs and MCOs to leverage the expertise and capabilities of existing community-based organizations servicing populations with BH and LTSS needs*
- Invest in the continued development of BH and LTSS infrastructure (e.g., technology, information systems) that is sustainable over time*
- Improve collaboration across MCOs and ACOs, CPs, community organizations addressing the social determinants of health, and the BH, LTSS, and physical health delivery systems in order to break down existing silos and deliver integrated care*
- Avoid duplication of care coordination and care management resources*
- Support values of community-first and cultural competence, SAMHSA recovery principles and independent living*

19) Question: What are Flex Services and who can get access to them?

***Answer:** A portion of DSRIP funds to ACOs will be dedicated to spending on "flexible services," which are services that address health-related social needs and are not otherwise covered under MassHealth benefits. A MassHealth ACO-attributed member can access flexible services if his or her care team recommends them as part of the member's care plan. For example, a member's care team could recommend that a member who is moving from an institutional setting into the*

community receive transition services that are paid for with flexible services funding, provided that the services align with the approved guidelines.

MassHealth's goal is to establish a flexible services program that will allow ACOs to explore creative ways to deliver care that goes beyond the medical realm, but within the parameters of a program that has robust oversight and administrative expectations.

20) Question: Will members have to get their long-term services and supports (LTSS) like Adult Foster Care or Adult Day Health through the ACO or MCO? When will that begin?

Answer: *Members who use LTSS will continue to have access to those services regardless of what delivery system they are enrolled in, including the PCC Plan, MassHealth ACOs, MCO program, Senior Care Options (SCO), One Care, Program of All-Inclusive Care for the Elderly (PACE), and fee-for-service (FFS).*

During the five year term of the Waiver, but not prior to year three, MassHealth will begin phasing responsibility for LTSS into MCO and ACO contracts. Phased-in services will include State plan community- and facility-based LTSS, such as Adult Foster Care, Adult Day Health, and nursing facilities. MassHealth will be working closely with stakeholders, including advocates and members, to plan and implement this transition.

21) Question: How will MassHealth help members understand their choices and ensure members' rights are protected?

Answer: *MassHealth understands that members and providers will need support in navigating our new delivery models. MassHealth will build up resources for these transitions. This will include new tools, customer service support, and outreach to help members identify the networks in which their preferred providers participate and what choices the member has to access those networks. MassHealth is also planning communications for providers to ensure a smooth transition to the new delivery system.*

Starting next year, MassHealth members in accountable and managed care plans, including ACOs, MCOs, One Care, PACE, and SCO will have access to an Ombudsman for help with accessibility issues, complaint resolution, and appeals. In addition, eligible ACO and MCO members with behavioral health or LTSS needs will have access to community-based expertise to support care coordination and community service options through Community Partners (please see question 18, above) that will collaborate with their ACO or MCO.

22) Question: How can interested stakeholders weigh in as MassHealth rolls out this new Delivery System Reform?

MassHealth plans to post a notice of opportunity for stakeholders who would like to participate in a Delivery System Implementation Advisory Council. This Council will provide advice and input to MassHealth from a variety of provider and stakeholder perspectives as we add ACOs and update our delivery system. More information about the selection process for this Advisory Council will be coming soon. In addition, MassHealth plans to procure Ombudsman supports for members in accountable and managed care products, including MCOs, ACOs, SCO, PACE, and One Care plans.

Behavioral Health

23) Question: How will the delivery of Behavioral Health (BH) services be impacted by the Waiver?

Answer: *A major focus of MassHealth's restructuring approach and an explicit goal of this Waiver is the integration of physical health and behavioral health for individuals with a range of behavioral health needs. This includes a focus on creating a system of behavioral health treatment that improves health outcomes, experience and coordination of care across a continuum of behavioral health services, reduces health disparities, and exemplifies recovery principles for children, youth, and adults with a range of mental health conditions and/or substance use disorders. A variety of strategies – including ACO approaches; the role of Behavioral Health Community Partners; contractual expectations for managed care plans, MassHealth's behavioral health vendor, and ACOs; and other payment model adjustments – will further this goal and will strengthen approaches already existing in the Commonwealth.*

24) Question: What services is MassHealth adding to address the opioid crisis?

Answer: *Under the Waiver, MassHealth has expanded substance use disorder treatment services to include a full continuum of medically necessary 24-hour community-based rehabilitation services. MassHealth will use new federal funds generated under the Waiver to expand the state's capacity of 24-hour rehabilitation service programs and to fund care coordination and recovery services to members with significant substance use disorders.*

25) Question: Will the Massachusetts Behavioral Health Partnership (MBHP) still provide behavioral health care to MassHealth members in the PCC Plan?

Answer: *Members enrolled in a Primary Care ACO or in the PCC Plan, including those enrolled in an ACO Pilot, will continue to receive behavioral health services through the MassHealth BH vendor, which is currently MBHP.*