



MassHealth Medical Care Advisory Committee & Payment Policy Advisory Board Meeting

September 2021

Agenda



	Topic	Duration
1	Welcome and Introductions	5 minutes
2	1115 Waiver Demonstration Overview	40 minutes
3	MCAC/PPAB Responses/Comments	30 minutes
4	Public Comments	45 minutes



1115 Waiver Executive Summary

MassHealth's current 1115 demonstration (2017-2022) was designed to **restructure the delivery system toward integrated, value-based and accountable care.**

Key features of MassHealth's current 1115 demonstration include:

- Over 1 million members (>80% of eligible population) are enrolled in accountable care organizations (ACOs) that are paid for **better health outcomes, lower cost, and improved member experience**
- Top 50,000 (~5%) highest-risk members receive **enhanced care coordination** from certified community-based organizations called **Community Partners**
- Supported by **\$1.8 billion Delivery System Reform Incentive Program** that expires in 2022
- Authorities, including expanded **eligibility, substance use disorder services**, state subsidies for **lower-income Marketplace enrollees**, and funding for **safety net providers**

In its proposal to be submitted to CMS in October/November, MassHealth will seek approval for a renewed 1115 demonstration that:

- 1) Continues the path of restructuring and reaffirms **accountable, value-based care**
- 2) Makes reforms and investments in **primary care, behavioral health and pediatric care**
- 3) **Advances health equity**, with a focus on initiatives addressing health-related social needs and specific disparities, including maternal health and health care for justice-involved individuals
- 4) **Sustainably supports the Commonwealth's safety net**, including level, predictable funding for safety net providers, with a continued linkage to accountable care
- 5) **Maintains near-universal coverage**, making updates to eligibility policies to support coverage and equity

MassHealth's 1115 Demonstration, 2017-2022: Goals and key reforms



MassHealth's current 1115 demonstration (2017-2022) was designed to **restructure the delivery system toward integrated, value-based and accountable care.**

Goals of current demonstration

- Enact **payment and delivery system reforms** that promote integrated, coordinated care; and hold providers accountable for the quality and total cost of care
- **Improve integration** of physical, behavioral health and long-term services
- **Address the opioid addiction crisis** by expanding access to a broad spectrum of recovery-oriented substance use disorder (SUD) services
- Sustainably **support safety net providers** to ensure continued access to care for Medicaid and low-income uninsured individuals

Key reforms

- Significant re-structuring of MassHealth delivery system:
 - Launched **MassHealth ACO program** in 2018 with accountability for cost, quality, and member experience
 - 17 of the state's biggest provider systems became ACOs, enrolled >80% of eligible members
- Unprecedented partnership across delivery system silos:
 - Created **Behavioral Health and Long-Term Services & Supports Community Partners (CP)** program in 2018 to provide enhanced care coordination for highest risk members
 - Launched **Flexible Services** program in 2020 to provide targeted housing- and nutrition-related supports
- **Expanded SUD treatment benefit** and added new beds, recovery coach benefit, other investments
- Established **sustainable safety net hospital funding structure** tied to ACO performance and preserved **near-universal coverage**

MassHealth's 1115 Demonstration, 2017-2022: Progress and opportunities



Key examples of progress (early indicators)

- **ACOs are strengthening member connection to primary care.** PCP visits increased 2% from 2018-2019, and were 12% higher for ACOs than non-ACOs
- **ACOs are reducing preventable acute utilization.** Reduced avoidable admissions by 11% from 2018-2019
- **ACOs are improving clinical quality.** Scores were high and increased in 2018-2019 on a significant majority of measures
- **ACO care coordination programs funded by DSRIP are working.** Seventy percent of these programs have improved outcomes in the first two years
- **CPs are succeeding at engaging the hardest-to-reach members.** CPs have actively engaged ~20k members, with promising early impacts
- Implemented risk-adjustment methodology that **accounts for social complexity/risk in ACO rates**
- **Through the Flexible Services program,** ACOs partner with social service organizations to provide housing and nutritional supports aimed at improving health outcomes and/or reducing health care costs

Major opportunities (only some require new waiver authority)

- **Delivery system reform** can go further:
 - PCPs within ACOs are mostly still **reimbursed fee-for-service**, not funded for team-based, integrated care
 - Certain **behavioral health services and delivery models** require significant investment and reform
 - Elements of the program need to be **standardized & simplified**
 - The unique needs of **children, youth, and families** require further focused attention
- **Health inequities and disparities** highlight long-standing, systemic racism that further reforms and MassHealth work must address, including:
 - Black MassHealth members' maternal morbidity rate is >1.8x higher than white members
 - Hispanic and non-Hispanic Black MA residents have asthma hospitalization rates 3.5x higher than non-Hispanic White residents

MassHealth's 2022 Demonstration extension: Goals



MassHealth has identified five goals for the next 1115 demonstration:

1. **Continue the path of restructuring and reaffirm accountable, value-based care** – increasing expectations for how ACOs improve care and trend management, and refining the model
2. Make reforms and investments in **primary care, behavioral health, and pediatric care** that expand access and move the delivery system away from siloed, fee-for-service health care
3. **Advance health equity**, with a focus on initiatives **addressing health-related social needs** and specific disparities, including **maternal health** and health care for **justice-involved** individuals
4. **Sustainably supports the Commonwealth's safety net**, including level, predictable funding for safety net providers, with a continued linkage to accountable care
5. **Maintains near-universal coverage**, making updates to eligibility policies to support coverage and equity



1115 Extension Strategies

MassHealth's 1115 extension is critical to achieving the Commonwealth's goals, through the following strategies:

1

Continue the path of restructuring and reaffirm accountable, value-based care

- Re-procure and refine the ACO program, maintaining the same core pillars and requirements, holding ACOs accountable for high quality care, while implementing improvements based on lessons learned.
- Re-procure the Behavioral Health and Long-Term Services and Supports Community Partners (CP) program, while transitioning the program to sustainable financing and a more accountable structure.
- Scale successful programs by transitioning ~80% of DSRIP funding to ongoing base funding for whole person primary care and care coordination (e.g., supports for members with disabilities, embedded community health workers & peers in primary care, CP program).
- Streamline MassHealth programs to improve navigation for members and providers, including improvements to the administration of the behavioral health benefit; ensuring members have a single accountable care coordination home; and simplifying and standardizing pharmacy services
- Expand the Community Supports Program (CSP, CSP-CHI [formerly known as CSPECH]) benefits to further support members with behavioral health needs who are experiencing or at risk of homelessness.
- Continue and enhance the Flexible Services Program to provide evidence-based supports for members with nutritional and housing supports needs.



1115 Extension Strategies

MassHealth's 1115 extension is critical to achieving the Commonwealth's goals, through the following strategies:

2

Make reforms and investments in primary care, behavioral health and pediatric care

- Invest \$115M per year in primary care through a new payment model that supports enhanced care delivery expectations (e.g., behavioral health integration) and more flexibility.
- Invest \$200M+ per year in expanding behavioral health access and integration as part of the *Roadmap for Behavioral Health Reform* (e.g., behavioral health urgent care, 24-7 mobile crisis intervention, newly designated Community Behavioral Health Centers).
- Improve behavioral health workforce capacity and diversity by expanding coverage for peers for both mental health and substance use disorder, and offer clinician recruitment & retention opportunities (e.g., loan repayment).
- Expand coverage for diversionary behavioral health services (e.g., Community Support Program, Structured Outpatient Addiction Program) to members in MassHealth fee-for-service (e.g., Duals)
- Implement enhanced clarity, expectations, and investments in care coordination for children. Tailor Flexible Services to better address the unique needs of families.



1115 Extension Strategies

MassHealth's 1115 extension is critical to achieving the Commonwealth's goals, through the following strategies:

3

Advance health equity, with a focus on health-related social needs, maternal health, and justice-involved populations

- Launch \$500M initiative over 5 years for ACO-participating hospitals that make demonstrated progress in reducing health care disparities.
- Hold ACOs accountable for health equity measures (e.g., preventative dental care, maternal health), including stratification by race, ethnicity, language, disability status, sexual orientation, and gender identity.
- Provide MassHealth coverage for eligible individuals in jails and prisons and transition supports to improve health outcomes for justice-involved population pre/post release.
- Address racial and ethnic disparities in maternal health: 12-month postpartum eligibility regardless of immigration status, doula coverage, and increased supports for high-risk pregnancies.
- Strengthen coverage and care for members with disabilities: streamline access to CommonHealth, require collection and reporting of quality measures stratified by disability, and improve the LTSS CP program.
- Continue and refine first-of-its kind risk-adjustment approach for ACO rates that accounts for both medical and social needs.



1115 Extension Strategies

MassHealth's 1115 extension is critical to achieving the Commonwealth's goals, through the following strategies:

4

Sustainably support the Commonwealth's safety net, including level, predictable funding for safety net providers, with a continued linkage to accountable care

- Extend Safety Net Provider Payments, and tie new funding for safety net hospitals to health equity
- Preserve \$153M Safety Net Provider funding for current Group 1 hospitals while expanding Group 2 funding from \$20M to \$40M, with eligibility for nine additional hospitals.
- Most of the \$100M+ annually in health equity incentives targeted toward ACO-participating, safety net hospitals
- Preserve other long-time funding for the Commonwealth's safety net (e.g., the Health Safety Net)
- Funding supported by extended hospital assessment; MassHealth will continue to work through the details of its safety net financing with stakeholders in advance of formal waiver submission



1115 Extension Strategies

MassHealth's 1115 extension is critical to achieving the Commonwealth's goals, through the following strategies:

5

Maintain near-universal coverage including updates to eligibility policies to support coverage and equity

- Maintain current coverage expansions, including state insurance subsidies for the Health Connector for individuals up to 300% of FPL
- Make targeted updates that expand eligibility to maintain near-universal coverage and advance equity, including:
 - Extending postpartum eligibility to 12 months, regardless of immigration status, to support improved maternal health (proposed via 1115 amendment in May 2021)
 - Streamlining access to CommonHealth to cover all disabled adults under age 65 with sliding scale premiums, without a spend-down, and to cover long-time CommonHealth members over age 65 when they retire
 - Extending retroactive eligibility 3 months for pregnant individuals and children
 - Providing continuous eligibility for members who are homeless and for members recently released from jail or prison



Timeline for MassHealth's 2022 Demonstration Extension

- **August 18 - September 20, 2021:** 30-day public comment period for 1115 demonstration extension proposal
- **October/November 2021:** 1115 demonstration extension formal submission to CMS
- **July 2022:** start of new 1115 demonstration period

All proposals included in this document are subject to CMS approval. However, certain policy initiatives included in this document support the 1115 proposals, but do not necessitate separate authority. Some authorities will be via the State Plan.