# MassHealth Delivery System Restructuring: 2021 Update Report

## Executive Office of Health & Human Services

## January 2024

## Executive Summary (1 of 2)

* In 2018, Massachusetts implemented its most significant Medicaid restructuring\* in 20 years to move away from a fee-for-service model by creating:
  + Accountable Care Organizations (ACOs)
  + Community Partners (CPs), serving members with complex needs
  + Delivery System Reform Incentive Payment (DSRIP) Program, investing in statewide infrastructure
* This is the fourth public report on the MassHealth delivery system restructuring; it primarily covers its fourth calendar year (2021), in comparison to 2019 and 2020 which are covered in prior reports.\*\* [[1]](#footnote-1)
* During 2021, MassHealth had 17 ACOs providing care for ~1.1M members with a composite expense of ~$6.3B.
* The COVID-19 pandemic continued to have a significant impact on health care delivery and outcomes in 2021, and also impacted performance data:
  + MassHealth caseload and ACO enrollment significantly increased due to Medicaid coverage protections during the federal Public Health Emergency (PHE), and as a result total spend increased even though per member spend and utilization was lower in 2021 compared to 2019.
  + In response to concerns over the pandemic’s impact on individual quality measures, MassHealth and CMS agreed to certain benchmark reductions for ACO/CP measures.
* This report is focused on the 2017-2022 1115 demonstration's performance data. At the time of this report’s release, MassHealth is implementing the 2022-2027 1115 demonstration extension. This report does not cover this extension.

## Executive Summary (2 of 2)

By 2021, ACOs were showing early signs of impact, despite the effects of the pandemic.

* ACOs maintained higher primary care utilization relative to other plans, even during the pandemic when access was an issue. PCP visits were 11% higher for ACOs than non-ACOs on average from 2019 to 2021.
* ACOs had the structure to respond rapidly to the evolving impacts of the pandemic, enabling them to launch telehealth, establish vaccination clinics and education focused on underserved populations, and address behavioral health (BH) emergency department (ED) boarding.
* The confounding effects of the pandemic made cost and quality outcomes difficult to interpret. However, in 2021, ACOs demonstrated improvements in some quality measures from 2020, though many measures did not reach their pre-pandemic performance levels.
* The CPs and Flexible Services Program meaningfully engaged members to improve care coordination and address health-related social needs while starting to show early positive outcomes in quality and cost.
  + CPs, which provide community-based care coordination for members with significant behavioral health (BH) and long-term services and supports (LTSS) needs, continued to make gains in member outreach and engagement
  + Between 2018 and 2021, there was a 25% reduction in ED visits and a 40% reduction in BH inpatient admissions among members enrolled in the BH CP program, and 19% lower total cost of care (TCOC) following graduation from the CP program compared to the 12 months preceding enrollment.
* The Flexible Services Program, which launched in 2020 and provides housing and nutrition support to certain members, saw rapid growth in 2021, and quickly became a significant part of ACOs’ pandemic response and population health strategies, with services provided more than doubling from 2020.

1. \*See Appendix for further background on the 2018 restructuring.   
   \*\*Prior reports are available at: <https://www.mass.gov/info-details/massachusetts-delivery-system-reform-incentive-payment-program> [↑](#footnote-ref-1)