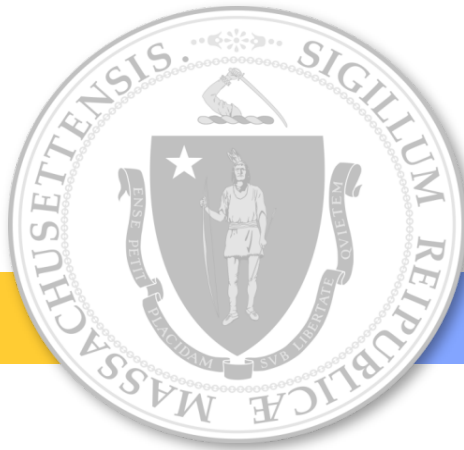




MassHealth's 2028-2032 1115 Waiver Demonstration Extension Request

Executive Office of Health and Human Services

October 2026

Welcome to the public hearing on MassHealth's next 1115 Waiver Demonstration Extension proposal

Guidance for Meeting Participants

- This hearing is open to the public.
- All participants should remain on mute for the first part of the presentation.
- Once MassHealth has presented, we will open up the forum for questions and comments. To share, you may:
 - Type your comment in the chat.
 - Use the 'raise hand' feature to indicate that you would like to be called on.
- Please remember to state your **first and last name** & your **organization name** if you are sharing questions or comments.
 - Please keep feedback to under 90 seconds.
- This hearing will not be recorded.
- Live captions can be accessed via link provided in the meeting room chat.
- For IT issues or feedback please email **1115WaiverComments@mass.gov**.

Overview

- MassHealth is Massachusetts' combined Medicaid and Children's Health Insurance Program (CHIP). MassHealth provides robust health care coverage for qualifying children, families, seniors, and people with disabilities living in Massachusetts.
- With approval from the Centers for Medicare & Medicaid Services (CMS), Section 1115 Demonstration Waivers ("Demonstrations") allow states flexibility to design and improve their Medicaid and CHIP programs through experimental, pilot, or demonstration projects that promote the objectives of the programs.
- Since 1997, the MassHealth 1115 Demonstration has been a critical tool in enabling Massachusetts to achieve and maintain near-universal health coverage, reform the way that health care is delivered for MassHealth members, expand critical behavioral health services, and support the Commonwealth's safety net health care facilities.
- This meeting is to hear feedback on a draft of the proposal that MassHealth will be submitting to CMS to request an extension of its 1115 demonstration for the years 2028-2032. This proposed demonstration extension request is a critical opportunity to continue to make progress in driving value-based care that delivers on quality and costs. MassHealth proposes to continue certain key initiatives through renewed demonstration authorities, while making changes to or sunseting other initiatives as well as requesting new authorities for new initiatives. MassHealth seeks to scale and build on proven models, based on emerging evidence.
- As part of the 1115 extension request package MassHealth will submit to CMS, MassHealth must submit an Independent Evaluation Interim Report (IEIR) of the current (2022-2027) 1115 Demonstration period. The IEIR evaluates data from 2022-2024 and shows some promising trends as well as some areas where we have yet to see an impact. This is posted on the website with the extension request materials.

MassHealth has made historic progress in implementing payment reform and expanding access to high-quality health care under the current demonstration

Through the 2022-2027 Demonstration, MassHealth:

- **Refined the ACO program** model.
- Made substantial **investments in primary care** and **shifted payment to prospective capitation** payments from fee-for-service.
- Expanded **continuum of behavioral health care** (BH), improved access to critical levels of BH care, and improved the BH ED boarding crisis.
- **Launched a Quality and Equity Incentive Program** to advance health equity and reduce disparities in access and quality outcomes.
- Integrated housing and nutrition support services as part of the core ACO benefit, creating a sustainable path and standardizing access to services.
- Leveraged 1115 authority to **expand workforce investments**, including loan repayment for primary care and BH providers, residency for nurse practitioners, and more.
- Prepared to provide certain **Medicaid services to eligible members with justice involvement** prior to their release from incarceration.
- **Sustainably supported the Commonwealth's safety net and maintaining near-universal coverage** by providing level, predictable funding for safety net providers.

2022-2027 Independent Evaluation Interim Report (IEIR)



Background

- All 1115 waivers require an independent evaluation process, which includes an interim evaluation (IEIR).
- MassHealth has posted the IEIR for the current demonstration (2022-2027) along with the 1115 Extension Request, in accordance with federal requirements.
- The IEIR covers the period of 2022-2024 and focuses on implementation.

Key take-aways

- Successful implementation of new initiatives (e.g. primary care capitation, health quality and equity incentive program)
- Non-fatal and fatal overdoses decreased
- Access to community-based BH services increased
- Primary care capitation led to increased and expanded services for members in primary care settings
- Nutrition and tenancy support services, and the specialized Community Support Programs, positively impacted members' food insecurity, housing status, and self-reported physical/mental health status
- Improvement in ACO member-reported care coordination experience

MassHealth is committed to continuing to improve and deliver high-quality health care to all MassHealth members, however the Commonwealth faces new headwinds in the next 1115 Demonstration period

- The federal reconciliation bill that was signed into law on July 4th, 2025, includes significant policy changes to Medicaid and Health Care Marketplaces nationally. These changes, once fully implemented, are estimated to result in health care coverage losses for up to 300K Commonwealth residents and potentially up to \$3.5 billion in federal funding for health care annually in Massachusetts.
- Additionally, other federal policy changes will require future 1115 Demonstrations to look different than previous ones. For example, the federal administration has issued guidance rescinding previous Health-Related Social Needs policy,¹ and will no longer be approving Continuous Eligibility authorities² or Workforce Initiatives.³ CMS has also issued new guidance with major changes to the way budget neutrality for 1115 Demonstrations is calculated.⁴
- MassHealth remains strongly committed to sustaining access to health coverage for eligible members and achieving great health outcomes for our members. In the next 1115 Demonstration, MassHealth will work with state and federal partners to best address these policy changes and headwinds while continuing to improve health care throughout the Commonwealth.

¹ [*CMCS Informational Bulletin, March 4, 2025*](#)

² [*CMS Letter, July 17, 2025*](#)

³ [*CMS Letter, July 17, 2025*](#)

⁴ [*CMS Letter, June 11, 2026*](#)

MassHealth's goals for the 2028-2032 1115 Demonstration build upon successes from its most recent Demonstration, while aligning with current priorities and acknowledging headwinds

1

Continue to **promote value by improving access, quality, and efficiency**

2

Strengthen innovative care delivery for primary care, behavioral health, and pediatric care, focusing on prevention, chronic disease management, and shifting the delivery system away from siloed, fee-for-service health care

3

Support the Commonwealth's safety net, including through ongoing, predictable funding for safety net providers with a continued linkage to accountable care

4

Maintain near-universal coverage for all eligible Commonwealth residents

Goal 1: MassHealth aims to advance these core goals through requesting authority for the following new and continuing key initiatives:

1

Continue to promote value by **improving access, quality, and efficiency**

- Continue MassHealth's value-based **ACO program**, maintaining core pillars of accountability for quality, member experience, and total cost of care, and emphasizing increased expectations for delivering value for the Commonwealth moving forward.
- New coverage of **Traditional Healthcare Services** for members eligible to receive care at Indian Health Service (IHS) or tribal facilities.
 - Traditional healthcare services can include offerings like sweat lodges or smudging and are reimbursed at a 100% federal match (no cost to the Commonwealth).
- To maximize rebates from drug manufacturers and support stability for safety net hospitals, establish a **340b hospital access stabilization funding program** for hospitals that enables them to stop relying on 340B retail pharmacy.

Goal 1 (Continued): MassHealth aims to advance these core goals through requesting authority for the following new and continuing key initiatives:

1

Continue to promote value by **improving access, quality, and efficiency**

- Build on current efforts to incentivize hospitals to deliver value-based care in line with the Commonwealth's priorities through a new **Hospital Innovation and Healthy Communities Program (HIH-C)**, which will include two components:
 - 1) a Care Delivery Innovation (CDI) incentive program that will create accountability for more efficient acute care delivery, reduced avoidable utilization, and enhanced health system coordination. The CDI program will reward:
 - Care models that provide necessary acute care in the most appropriate, lowest-cost setting;
 - Tech-enabled interventions that empower patients to take control of their health; and
 - Hospital and ACO partnerships that target avoidable utilization
 - 2) a voluntary hospital global budget model, aligned with CMS' Innovation Center AHEAD model, that will drive delivery system reform across payers
 - Hospital global budget sets a prospective budget for a limited subset of hospitals that incorporates (at least) inpatient and outpatient expenses.

Goal 2: MassHealth aims to advance these core goals through requesting authority for the following new and continuing key initiatives:

2

Strengthen innovative care delivery for primary care, behavioral health, and pediatric care, focusing on prevention, chronic disease management, and shifting the delivery system away from siloed, fee-for-service health care

- Continue MassHealth's **primary care sub-capitation** program, which strengthens primary care through prospective capitation to support team-based, integrated care.
 - Partner with CMS to implement population-based primary care capitation in Medicare, aligned with the CMS' Innovation Center AHEAD model, and work with commercial payers to adopt capitation as well.
- Continue diversionary **behavioral health and substance use disorder** services and care delivered in settings that qualify as institutions for mental diseases (IMDs).
 - New coverage of **Contingency Management**, an evidence-based treatment for stimulant use disorder.
- Continue **nutrition and tenancy supports** to address the root causes of chronic disease.
 - By addressing upstream drivers of health, these services can lead to decreased hospitalization, ER use, and cost savings, and improved whole-person health.
- Continue the **Reentry Demonstration Initiative**, which allows Medicaid coverage for certain individuals prior to release from incarceration to support the transition back to the community and re-connection to care.
- **Discontinue Workforce Initiatives**, authorized under the 1115 Demonstration (Student Loan Repayment and NP Residency), as directed by CMS.¹

¹[CMS Letter, July 17, 2025](#)

Goal 3: MassHealth aims to advance these core goals through requesting authority for the following new and continuing key initiatives:

3

Support the Commonwealth's safety net, including through ongoing, predictable funding for safety net providers with a continued linkage to accountable care

- Maintain sustainable financing for the Commonwealth's health care providers through ongoing **Safety Net Care Pool** authority.
- This will include:
 - Continued authority for the Health Safety Net, Safety Net Provider Payments, and payments for IMDs and state-owned hospitals.
 - New authority for **Hospital Innovation and Healthy Communities (HIH-C) Program**.

Goal 4: MassHealth aims to advance these core goals through requesting authority for the following new and continuing key initiatives:

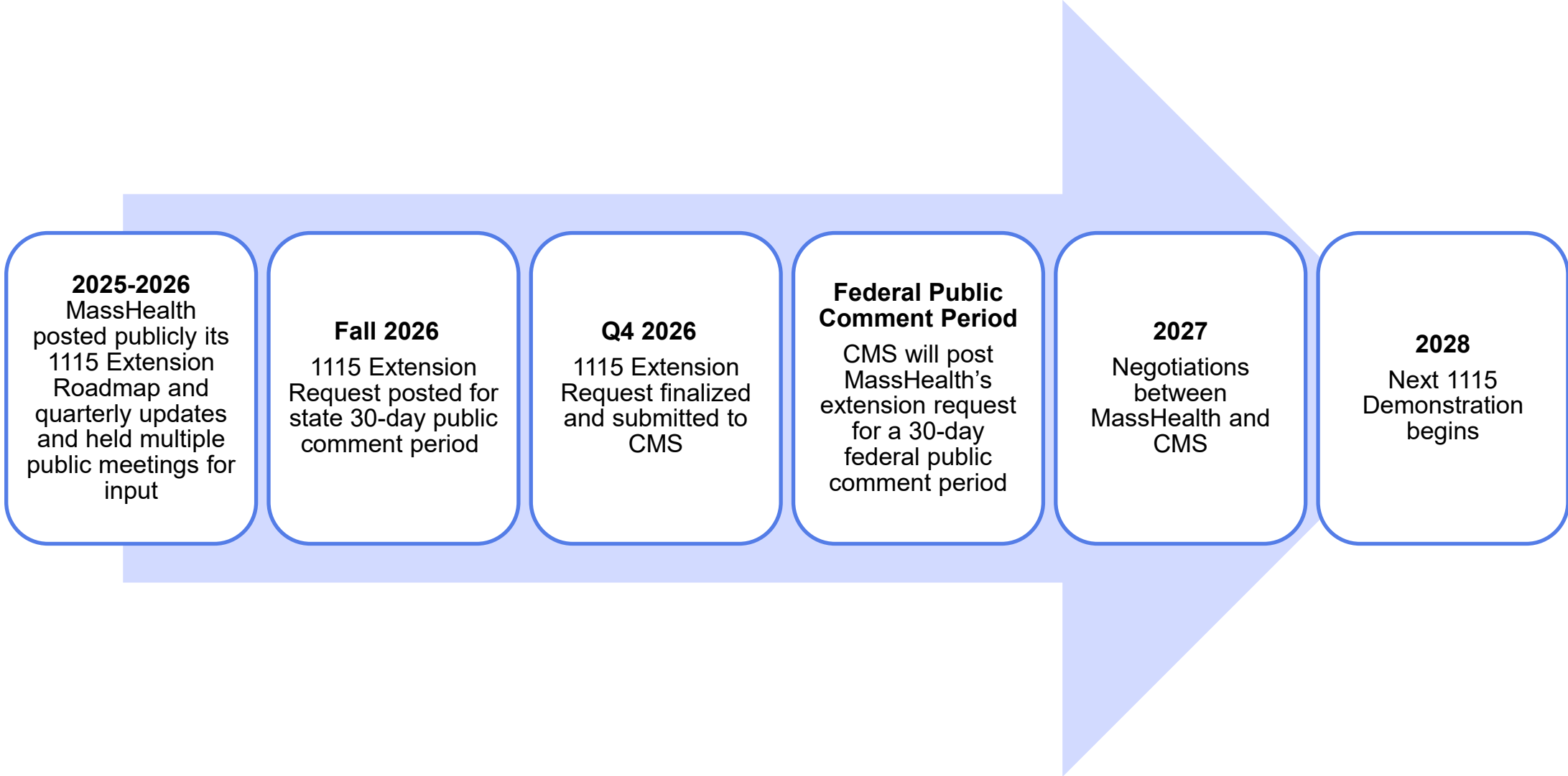
4

Maintain near-universal coverage for all eligible Commonwealth residents

- Maintain **premium assistance, Connector subsidies, and Medicare cost-sharing supports**.
- Continue to **cover expansion populations** such as CommonHealth, HIV Family Assistance and Medicare Savings Program eligibility.
- Continue policies to **streamline eligibility processing**, such as hospital presumptive eligibility and provisional eligibility for certain populations.
- MassHealth will be required to **discontinue continuous eligibility** (for justice-involved and homeless populations)¹ and **adjust retroactive coverage** from 3 months to 1 month or 2 months, per changes in federal policy. Other changes related to new federal laws and guidance may be required, pending CMS guidance.

¹ [*CMS Letter, July 17, 2025*](#)

Anticipated 2028-2032 1115 Demonstration Extension Development Timeline



Next Steps

- The Extension Request, details on where to submit comments, and additional relevant information are available at www.mass.gov/info-details/1115-masshealth-demonstration-waiver.
- EOHHS is accepting comments today through this Public Hearing.
- Written comments may be delivered by email or mail:
 - By email, please send comments to 1115WaiverComments@mass.gov and write “Comments on Demonstration Extension Request” in the subject line.
 - By mail, please send comments to the following address:
EOHHS Office of Medicaid
Attn: 1115 Demonstration Comments
One Ashburton Place, 10th Floor
Boston, MA 02108
- Comments must be received by **Monday October 19th at 5PM** to be considered.
- Following, EOHHS’ submission of the Extension Request to CMS, CMS will hold a 30-day federal comment period, during which time stakeholders are welcome to share their comments and feedback with CMS.