Reasons why Massachusetts filed a new 1115 Demonstration Waiver

- More than $1 billion per year in safety net care pool funding terminates on June 30, 2017 if the waiver is not renegotiated
- The Baker-Polito Administration is committed to a sustainable, robust MassHealth program for its 1.8M members. MassHealth has grown unsustainably and represents 40% of the Commonwealth’s budget (over $15 billion)
- This is an opportunity to bring in significant federal investment to support health care delivery system reforms
- Current state law (Chapter 224) requires MassHealth to adopt alternative payment methodologies for promotion of more coordinated and efficient care

Formally filed the federal 1115 MassHealth demonstration waiver on Friday, July 22, 2016

- The new waiver covers a 5-year period from July 2017 through June 2022 and provides the authority to restructure MassHealth toward Accountable Care Organization (ACO) models
- $1.8 billion of upfront investment (DSRIP) over five years to support transition toward ACO models, including direct funding for community-based providers of behavioral health (BH) and long term services and support (LTSS)
- $6.2 billion over 5 years for the Commonwealth’s Safety Net Care Pool (in addition to DSRIP), to support safety net programs (e.g., Health Safety Net) and ConnectorCare affordability wrap
- Expansion of MassHealth-covered services for Substance Use Disorders

Restructures the current MassHealth delivery system in a manner that promotes integrated, coordinated care and hold providers accountable for quality and total cost of care

- The fundamental structure of the MassHealth program has not changed in 20 years. The current fee-for-service payment model for providers results in fragmented care
- In ACO models, provider-led organizations are accountable for the cost and quality of care
- It is not a one-size-fits-all approach; there are different ACO models that reflect the range of provider capabilities and the Massachusetts health care market
- Managed Care Organizations (MCOs) may remain as an insurer, pay claims and work with ACO providers to improve care delivery

Contains $1.8 billion of upfront investments to support ACO transitions, with explicit funding to build community capacity for BH/LTSS providers and for health-related social needs

- 5-year time limited Delivery System Reform Incentive Program (DSRIP) funding
- To receive DSRIP, ACOs must partner with BH and LTSS Community Partners
- Community-based BH and LTSS providers who become Community Partners will be eligible for DSRIP
- Includes funds for non-reimbursed flexible services (e.g., air conditioners for asthmatic kids or housing stabilization and supports)
- Includes statewide investments for identified high priority health issues (e.g., addressing Emergency Department boarding, workforce development, accommodations for members with disabilities)

Improves integration among physical health, behavioral health, long-term services and supports and health-related social services

- Explicit focus on establishing a BH system that improves outcomes and coordination of care, including for members with serious mental illness and co-morbid conditions
- Phased-in inclusion of LTSS into ACO and MCO accountability, following the principles of the One Care model of member-centered, integrated and culturally competent care
Establishes authority for the Safety Net Care Pool (SNCP)

- Authorizes $8 billion over 5 years ($1.59 billion a year), including:
  - $1.8 B over 5 years for DSRIP ($0.36 B average per year)
  - $5.3 B over 5 years for uncompensated care and safety net providers ($1.06 B average per year), including $1.6 B over 5 years for non-state public hospital payments ($0.32 B average per year)
  - $0.86 B over 5 years for ConnectorCare affordability wrap ($0.17 B per year)
- Renews authority for Health Safety Net program, including payments to community health centers
- Restructures supplemental payments for safety net hospitals, linked to ACO participation
- Requests authority for federal match on the Commonwealth’s cost-sharing wrap for Health Connector enrollees up to 300% FPL
- Establishes non-state public hospital payments and incentive programs tied to ACO performance and global budgets for uninsured care
- The required state share for the SNCP and DSRIP investment is supported by a $250M increase in the existing hospital assessment

Expands MassHealth Substance Use Disorder (SUD) coverage to address the opioid crisis

- MassHealth covers some, but not all, of the continuum of SUD services. Transitional Support Services (TSS) are only covered for certain populations, and Residential Rehabilitation Services (RRS) are not covered
- The MassHealth benefit for individuals with SUD will be expanded to include the full continuum of medically necessary 24-hour community-based rehabilitation services. Capacity will expand by nearly 400 beds in FY17, with over 450 additional beds in FY18
- Members with SUD will receive care management and recovery support services
- MassHealth will also adopt a standardized American Society of Addiction Medicine assessment across all providers

Waiver timelines

- CMS approval anticipated fall 2016
- Pilot ACO launches by end of calendar year 2016
- Full roll out of ACOs, BH/LTSS Community Partners and DSRIP by October 2017
- Re-procurement of MCOs, with new contracts effective October 2017

Redesign is the result of a year of intensive stakeholder engagement process

- 8 workgroups met bi-weekly for 4-5 months, and town hall meetings were held across the state
- Health care providers across the spectrum (Community Health Centers, Hospitals, BH providers) as well as advocates, LTSS providers and community organizations engaged
- Received nearly 100 oral and written comments during public comment period; all comments available on MassHealth Innovations website