

**Submission of a Request to Extend the MassHealth Section 1115 Demonstration:  
Summary and Public Comment Period**

**August 20, 2013**

The Massachusetts Executive Office of Health and Human Services (EOHHS) announces its intent to submit a request to extend the MassHealth Section 1115 Demonstration (Demonstration Extension Request) to the Centers for Medicare and Medicaid Services (CMS) on September 30, 2013.

**Public Comment Period:**

EOHHS will accept comments on the proposed Demonstration Extension Request through September 19, 2013. Written comments may be delivered by email or mail. By email, please send comments to [laxmi.tierney@state.ma.us](mailto:laxmi.tierney@state.ma.us) and include "Comments for Demonstration Extension Request" in the subject line. By mail, please send comments to: Laxmi Tierney, EOHHS Office of Medicaid, One Ashburton Place, 11<sup>th</sup> Floor, Boston, MA 02108. Comments must be received by 5pm on September 19, 2013 in order to be considered.

EOHHS will host two Stakeholder Meetings open to the public on the proposed Demonstration Extension Request. The meeting details are as follows:

**Stakeholder Meeting #1, in conjunction with a meeting of the MassHealth Medical Care Advisory Committee and the MassHealth Payment Policy Advisory Board:**

**Date:** Tuesday, August 27  
**Time:** 10:00am-12:00pm  
**Location:** Transportation Building  
10 Park Plaza  
Boston, MA

**Stakeholder Meeting #2:**

**Date:** Thursday, August 29  
**Time:** 10:00am-12:00pm  
**Location:** Worcester Public Library  
3 Salem Square  
Worcester, MA

The Demonstration Extension Request documents may be obtained on the MassHealth 1115 Demonstration website: <http://www.mass.gov/eohhs/gov/departments/masshealth/masshealth-and-health-care-reform.html>. Additional updates and final submissions to CMS will also be posted on this website.

Paper copies of the documents may be obtained in person by request from 9am-5pm at EOHHS, One Ashburton Place, 11<sup>th</sup> Floor, Boston, MA 02108.

## **Background:**

The MassHealth 1115 Demonstration provides federal authority for Massachusetts to expand eligibility to individuals who are not otherwise Medicaid or CHIP eligible, offer services that are not typically covered by Medicaid, and use innovative service delivery systems that improve care, increase efficiency, and reduce costs. The current 1115 Demonstration is authorized through June 30, 2014.

The Commonwealth's Demonstration Extension Request outlines the specific authorities being requested from CMS from July 1, 2014 to June 30, 2019 to sustain and improve upon the gains in coverage, affordability and access to health care achieved to date under the Demonstration.

The MassHealth 1115 Demonstration has been a key element in the Commonwealth's achievement of near-universal coverage since the enactment of Chapter 58 of the Acts of 2006. Now, as required by the federal Affordable Care Act (ACA) and recent state legislation (Chapter 224 of the Acts of 2012), the next phase of health care reform focuses on cost containment and delivery system reforms. MassHealth is well positioned to continue its leadership role in these areas by advancing alternative payment methodologies and delivery system transformation including medical homes and integrated care for high risk populations. To meet the 1115 Demonstration's goals and gain additional benefits through reform, the Commonwealth's partnership with CMS through the Demonstration remains central to the Demonstration's continued success.

The Demonstration Extension Request affects eligibility, benefits, payment methodologies and delivery systems, as well as changes to expenditure authorities under the Demonstration.

## **Summary of Requested Changes to the Demonstration:**

### ***Five-Year Renewal Term and the One Care Integrated Care Model***

A five-year renewal term, as authorized by the Social Security Act, will support the full implementation of the Commonwealth's Duals Demonstration and its integrated care model known as One Care, which provides coverage for individuals under age 65 who are eligible for Medicaid and Medicare. The Duals Demonstration and the 1115 Demonstration are closely interrelated and provide complementary authorities that enable the Commonwealth's efforts to institute a fully integrated and fully capitated delivery model for disabled members. Massachusetts aims to learn from the Duals Demonstration and explore expanding the One Care model to non-dual eligible disabled members through the 1115 Demonstration in future years.

### ***Advancing Alternative Payment Models***

MassHealth's new Primary Care Payment Reform Initiative (PCPRI) is the primary vehicle to transition MassHealth members to alternative payment methodologies, as required by Chapter 224, the Commonwealth's pioneering 2012 payment reform and cost containment legislation. To transform health care delivery and payment through the PCPRI, the Commonwealth requests authority to set shared savings / risk targets for providers and to make shared savings payments or, as applicable, recoup payments to providers under alternative payment arrangements involving shared risk. This authority will establish the basis for the Commonwealth to fully implement both the PCPRI and an Accountable Care Organization (ACO) model currently in development. With

PCPRI as its foundation, MassHealth would consider making three key changes to the future ACO model: shifting the contracting entity from a Primary Care Clinician (PCC) to an ACO; adjusting the payment model to encourage providers to take on higher levels of risk; and modifying quality metrics and delivery model requirements to extend beyond a medical home to a “medical neighborhood.”

### ***Pediatric Asthma Pilot Program***

The Commonwealth requests continued authority to implement a Pediatric Asthma Pilot Program for MassHealth members aged two through 18 with high risk or poorly controlled asthma who are enrolled in selected PCC Plan practices.

### ***Safety Net Care Pool***

The Commonwealth requests the following authorities for the Safety Net Care Pool:

1. Elimination of the Provider Sub-Cap;
2. Continued expenditure authority for existing Designated State Health Programs and new authority for additional programs, including:
  - State-supported subsidies for individuals with incomes up to 300 percent of the Federal Poverty Level (FPL) who enroll in health insurance through the Health Connector; and
  - New state health programs associated with Chapter 224 and related efforts to advance Massachusetts’ ambitious health care reform and cost containment agenda;
3. Continued authority for the Delivery System Transformation Initiatives;
4. Continued authority for supplemental payments to Cambridge Health Alliance; and
5. Continued authority for the Infrastructure and Capacity Building Grants program.

### ***Express Lane Renewal***

The Commonwealth is proposing to continue its current Express Lane renewal process for families, with certain changes to account for implementation of the ACA on January 1, 2014. In addition, the Commonwealth is seeking authority to expand the Express Lane renewal process to childless adults receiving Medicaid benefits with MassHealth-verified income at or below 133 percent FPL and income verified by the Supplemental Nutrition Assistance Program at or below 163 percent FPL.

### ***Medicare Cost Sharing Assistance***

For MassHealth Standard disabled or caretaker/parent elderly members at or under 133 percent FPL who are eligible for Medicare, the Commonwealth requests authority to pay the cost of monthly Medicare Part A and Part B premiums and the cost of deductibles and coinsurance under Medicare Part A and Part B.

### ***Early Intervention / Applied Behavioral Analysis for Autism***

MassHealth requests continued authority for coverage of enhanced early intervention program services including medically necessary Applied Behavioral Analysis-based treatment services for children with autism spectrum disorders.