The MassHealth Waiver

Amendment and Extension, 2017-2022

1. Summary

MassHealth (Massachusetts' Medicaid and Children's Health Insurance (CHIP) programs) is implementing the most significant changes to payment and health care delivery practices in 20 years. On November 4, 2016, Massachusetts received federal approval of its request for an amendment and extension of the 1115 Demonstration Waiver. Medicaid 1115 Demonstration Waivers allow states to "waive" certain provisions of the Medicaid law and receive additional flexibility to design and improve their programs. Waivers may provide federal authority for states to expand eligibility to individuals who are not otherwise eligible for Medicaid or CHIP, offer services that are not typically covered by Medicaid, and use innovative service delivery systems that improve care, increase efficiency, and reduce costs. The Massachusetts Waiver amendment and extension authority begins now and goes through June 30, 2022. Provisions in the amendment take effect immediately, while those in the Extension will begin in FY18.

MassHealth covers 1.9 million Massachusetts residents and is vital to maintaining the Commonwealth's overall level of health insurance coverage, currently the highest in the nation. While providing essential health coverage for an increasing number of Massachusetts residents, MassHealth's spending has been growing unsustainably and is projected to be more than 40 percent of Massachusetts' budget this year. MassHealth must fundamentally alter this course in order to ensure the long-term sustainability of the program. MassHealth's basic structure is a predominantly fee-for-service payment model that leads to care that is too often fragmented and uncoordinated.

Under the Waiver, Massachusetts will move forward with the implementation of a statewide Accountable Care Organization (ACO) program, centered around three ACO models in which Massachusetts providers can choose to participate. Massachusetts' ACO models aim to improve integration of care, coordination among providers and the member experience of care, while reducing the rate of growth in the cost of care and in avoidable utilization, and while maintaining clinical quality and access. The new ACO options will be available for MassHealth beneficiaries who are currently required to enroll in either the MassHealth Primary Care Clinician plan or a MCO, currently nearly 1.3 million members out of MassHealth's total population. Massachusetts ACO model will hold ACOs financially accountable for cost, quality, and member experience.

Massachusetts' three ACO models have different characteristics to accommodate variation among providers within the Massachusetts delivery system: (1) Accountable Care Partnership Plans are managed care organizations (MCOs), each with a closely and exclusively partnered ACO with which the MCO collaborates to provide vertically integrated, coordinated care under a global payment; (2) Primary Care ACOs are provider-led ACOs that contract directly with Massachusetts' Medicaid agency as Primary Care Case Management entities to take financial accountability for a defined population of enrolled

members through retrospective shared savings and risk, and potentially more advanced payment arrangements; (3) MCO-administered ACOs are provider-led ACOs that contract directly with Massachusetts' Medicaid MCO contractors to take financial accountability for the MCO enrollees they serve through retrospective shared savings and risk. The Waiver allows Massachusetts to contract with ACOs through these three models and to pay ACOs using upside and downside risk arrangements. The Waiver also authorizes MassHealth to launch an ACO pilot in December 2016, to begin the transition to value-based and accountable care.

All MassHealth ACOs will be required to form linkages to state-certified Community Partners of Behavioral Health and LTSS. These community partners will be empowered to support ACOs with care coordination and management for members with complex behavioral health and LTSS needs and will be integral parts of a more integrated, member-centered Massachusetts delivery system. ACOs will also be able to invest in certain approved community services that address health-related social needs and are not otherwise covered under Massachusetts' Medicaid benefit.

This Waiver incorporates a Delivery System Reform Incentive Payment (DSRIP) program that supports the development of ACOs throughout the state. DSRIP funds will help providers transition towards new care delivery models, improve beneficiary care and experience, and strengthen provider capacity. The Waiver allows for a one-time federal investment of $1.8 billion over five years for the MassHealth DSRIP program, which is partially at risk and based on performance on a number of metrics. Massachusetts will use DSRIP funds to support several key reform initiatives, including care coordination and infrastructure costs needed to transition to ACOS, support for Behavioral Health and LTSS Community Partners for development of infrastructure and implementation of care coordination, and specific state-wide initiatives intended to support ACO development.

Another key component of the newly approved Waiver addresses the state’s opioid addiction epidemic with expanded services for MassHealth members with substance use disorders (SUD). Massachusetts will implement a more comprehensive array of outpatient, residential inpatient, and community SUD services to promote treatment and recovery. All full-benefit MassHealth members will be eligible to receive these expanded SUD services regardless of the delivery system through which they receive care.

The new Waiver agreement averts the loss of $1 billion a year in federal funds. It authorizes $52.4 billion in spending over five years, which will generate $29.2 billion in federal revenue and represents 60 percent of MassHealth’s funding authorization. Under the Waiver, MassHealth will restructure its safety net care pool (SNCP) funding, which totals $8 billion over five years. This includes $1.8 billion in Delivery System Reform Incentive Program (DSRIP) funding, $1.3 billion for subsidies to assist consumers in obtaining affordable coverage on the Massachusetts Health Connector, and $4.8 billion for uncompensated care by safety net providers, including through the Health Safety Net, for non-state, public hospital incentive programs, and supplemental payments to an expanded number of safety net hospitals, which grew from seven to fifteen.

The new Waiver extension identifies five explicit goals:

1. **Enact payment and delivery system reforms that promote integrated, coordinated care; and hold providers accountable for the quality and total cost of care**
   MassHealth will implement three ACO models, reflecting the range of provider capabilities and the Massachusetts health care market, to make provider-led organizations accountable for the cost and quality of care.

2. **Improve integration of physical health, behavioral health, LTSS, and health-related social needs**
   ACOs, community-based providers of behavioral health care, and LTSS organizations will be eligible to receive funding to improve integration of care and outcomes for eligible members with complex behavioral health, LTSS, and health-related social needs.

3. **Maintain near-universal coverage**
   Massachusetts currently has the highest rate of insured residents of any state in the country – over 97 percent.

4. **Sustainably support safety net providers to ensure continued access to care for Medicaid and low-income uninsured individuals**
   The Waiver provides expanded, sustainable funding for uncompensated care provided throughout the Commonwealth, including the Health Safety Net Trust Fund as well as Department of Public Health and Department of Mental Health hospitals. Furthermore, the agreement expands funding for fifteen safety net hospitals for payments to support ongoing and necessary operational support.

5. **Address the opioid addiction crisis by expanding access to a broad spectrum of recovery-oriented substance use disorder (SUD) services**
   The Waiver expands capacity for 24-hour community-based rehabilitation services and makes available care management and recovery support services for members with SUD, including opioid addiction.

Details of the Waiver are described in the remainder of this summary.

2. ACO Models and Delivery System Reform

This Waiver supports Massachusetts' planned shift from its current predominantly fee-for-service model to a scaled implementation of value-based payments through Accountable Care Organizations (ACO). ACOs are provider-led organizations that are accountable for the cost and quality of care they deliver to their members. They will work in partnership with community-based organizations to better integrate care for behavioral health, long-term services and supports, and health-related social needs.

ACO Models

The ACO program is not a one size fits all approach. Three ACO models will accommodate the variation among Massachusetts providers and assure more choices for members. The three models are: (A) Accountable Care Partnership Plan; (B) Primary Care ACO; and (C) MCO-Administered ACO. Additional details on each ACO model are provided below.

ACOs' financial accountability for cost will initially include covered physical health, behavioral health, and pharmacy services; Massachusetts intends to introduce financial accountability for covered LTSS in or about year 3 of the Waiver extension.

A. Accountable Care Partnership Plan ("Partnership Plan") – Accountable Care Partnership Plans are managed care organizations (MCOs) closely and exclusively partnered with an ACO to provide integrated, coordinated care. MassHealth will pay Partnership Plans a monthly per-member payment that covers all included services; the Partnership Plan is at risk for losses beyond this payment rate, and eligible for savings if costs are lower than the payment. Each Partnership Plan has an exclusive group of primary care providers (PCPs) and all members enrolled in a Partnership Plan receive primary care from these PCPs.

The Partnership Plan must meet state and federal requirements to be an MCO, including state insurance licensure, capital reserves, and other financial considerations. Partnership Plans must also meet the requirements for ACOs, including provider-led governance and Commonwealth of Massachusetts Health Policy Commission (HPC) certification. Because the Partnership Plan is an MCO, it will perform the administrative functions that MassHealth MCOs perform (e.g., paying claims, maintaining the provider network, prior authorization, etc.) The Partnership Plan will communicate directly with members regarding what it offers and how to access services. Partnership Plans will define their service areas, with MassHealth approval, and will need to meet MassHealth's network adequacy standards.

B. Primary Care ACO – Primary Care ACOs contract directly with MassHealth as Primary Care Case Management (PCCM) entities. Each Primary Care ACO has an exclusive group of participating PCPs, and all members enrolled in a Primary Care ACO receive primary care from these PCPs. Unlike Partnership Plans, Primary Care ACOs are not paid a per-member per-month capitation rate to provide services. Instead, their members receive health care (other than behavioral health) from MassHealth's fee-for-service network, which is paid directly through MassHealth's claims system. Members in Primary Care ACOs are also automatically enrolled in MassHealth's managed behavioral health vendor (currently the Massachusetts Behavioral Health Partnership) for behavioral health coverage. The Primary Care ACO is accountable through retrospective shared savings and losses payments based on cost and quality performance for its members.

C. MCO-Administered ACO – MCO-Administered ACOs contract with one or more of MassHealth's MCOs. An MCO may contract with multiple MCO-Administered ACOs to be part of its provider network. Each MCO-Administered ACO has an exclusive group of participating PCPs. Members who enroll in an MCO may be attributed to an MCO-Administered ACO based on the members' PCP assignments. Members enrolled in an MCO-Administered ACO receive primary care from a participating PCP and the rest of their health care through the MCO's network. The MCO pays providers for the care delivered to members enrolled in an MCO-Administered ACO. MCO-Administered ACOs are accountable to their MCOs through retrospective shared savings and losses payments. MassHealth must approve financial arrangements and the associated requirements in the contracts between an MCO-Administered ACO and MCOs.

In addition to capitation or shared risk payments, ACOs in all three models will be eligible to receive DSRIP funds for five years. DSRIP is described in further detail below.

ACO Pilot

Under the amendment to the current Waiver, Massachusetts will implement an ACO Pilot program with six ACOs beginning in December 2016. The ACO Pilot will allow MassHealth to begin the transition towards accountable care. Pilot ACOs are provider-led entities, such as a health system or group of health care providers, which contract directly with MassHealth to provide care coordination and management to MassHealth members in the Primary Care Clinician (PCC) Plan. Pilot ACOs will have financial accountability for the cost and quality of health services for their attributed members.

ACO Integration / Delivery System changes

Integration of social services and community-based expertise is central to Massachusetts' delivery system reform. ACOs will be required to assess members' social service needs, to create linkages to social services organizations, and to incorporate social determinants of health into care planning. ACOs will also be able to fund certain approved services ("flexible services") that address health-related social needs and are not otherwise covered under Massachusetts' Medicaid benefit.

All MassHealth ACOs will be required to form linkages to state-certified Community Partners for behavioral health and LTSS. These Community Partners will support ACOs with care coordination and management for eligible members with complex behavioral health and LTSS needs. Community Partners will serve as resources to MassHealth MCOs as well, and will be a key part of a more integrated, member-centered Massachusetts delivery system. Community Partners are described in further detail below.

Community Partners

Community Partners (CPs) are community-based organizations that offer ACO and MCO members linkages and support to community resources that facilitate a coordinated, holistic approach to care. MassHealth will certify Behavioral Health (BH) CPs and LTSS CPs to support integrated care delivery approaches for eligible members with complex BH and LTSS needs. Certified CPs will be eligible for DSRIP funding.

BH CPs will improve integration and management of care for members (adults and children) with serious mental illness (SMI), serious emotional disturbance (SED), or substance use disorder (SUD). BH CPs must either be a Community Service Agency (CSA) for the Children's Behavioral Health Initiative (CBHI) or have agreements with local CSAs for serving children. A BH CP may provide person-centered care management, assessments, and care coordination.

LTSS CPs will similarly support members with LTSS needs, including individuals with physical disabilities, acquired or traumatic brain injury, or intellectual or developmental disabilities (ID/DD). An LTSS CP may conduct LTSS assessments and provide counseling on available options, person-centered care management, care plan support, and care coordination activities.

MassHealth will define the criteria by which members will be eligible for CP services. The CPs and ACOs will facilitate outreach to the member, and will define criteria and processes for participation in a CP.

Member Protections

Current policies and procedures for member protections will remain in place for the PCC Plan and the MCOs, including existing appeals and grievance procedures. Members in ACOs also will have access to ACO-specific grievance processes and MassHealth's Fair Hearings appeals process. Starting next year, MassHealth members in ACOs and MCOs will also have access to an external ombudsman. MassHealth will ensure that members have adequate access and choice in networks, and will continue to require that MCOs and ACOs (as appropriate according to the model type) have provider networks that comply with all applicable managed care rules.

Delivery System Reform Incentive Program (DSRIP) Funding

The new Waiver authorizes $1.8 billion over five years for new Delivery System Reform Incentive Program (DSRIP) funding. DSRIP will support MassHealth's transition to accountable care models, fund investment in CPs, support funding for innovative ways to address social determinants of health, and support statewide investments that will be critical to achieving overall DSRIP goals. DSRIP funding is a one-time federal investment that will end after the five year extension period. Over the course of the five years, DSRIP funding will phase down as programs become sustainable and reliance on the payments declines. DSRIP funding starts at the beginning of State Fiscal Year 2018, making DSRIP payments available in preparation for implementation of the full-scale ACOs and Community Partners in December 2017.

There are three key streams of funding within DSRIP:

- *ACO Support*. Over $1 billion of the DSRIP funds over five years will be available to MassHealth ACOs to support implementation and ongoing costs of transitioning to the accountable care models, such as infrastructure and care coordination activities. ACOs are also able to spend some of these funds on "flexible services," such as supports to help individuals transition from institutional care to the community, supports for victims of violence, accessibility modifications, and other items that help address social determinants of health. The funding for ACO supports also includes "glide path" funding to help certain safety net hospitals transition to reduced supplemental payments, some of whom were previously eligible for the Delivery System Transformation Initiative (DSTI) program.

- *Community Partner Support.* Nearly $550 million over five years will be dedicated to Behavioral Health and LTSS Community Partners. CPs may use funds to promote person-centered care management, provide assessments, coordinate care, and for other activities that promote integration between physical health, behavioral health, and LTSS-related needs. CPs may also use DSRIP funds for infrastructure and capacity building.

- *Statewide Investments.* Over $100 million of DSRIP funds over the five year period will be set aside for specific statewide initiatives intended to support overall DSRIP goals. These

investments include funding to support primary care providers employed at community health centers, support to providers for transitioning away from fee-for-service payments, investments to reduce the boarding of members with SUD or mental illness in emergency departments, and support of investments to improve accessibility to medical care for people with disabilities.

A small amount of the DSRIP funding will be used by the Commonwealth to administer the DSRIP program and for other necessary operational supports.

DSRIP funds will be partially at-risk based on statewide and provider performance on several key metrics. Approximately $120 million of the state's total expenditure authority for DSRIP funding will be at-risk over the five year period. Statewide performance will be measured in three domains: adoption of ACOs or alternative payment methods, reduction in statewide spending growth, and ACO quality and utilization performance. A portion of DSRIP funds received by each ACO and CP will also be at risk based on the ACO's or CP's performance. ACO performance will be assessed based on the total cost of care and quality performance; CP performance will be assessed based on quality performance, care integration, and efficiency metrics.

3. Substance Use Disorder (SUD) Treatment Expansion

Massachusetts faces an opioid epidemic that claimed 1,574 lives due to overdose in 2015, a 52 percent increase over 2014. Data from the first three quarters of 2016 suggest that the Commonwealth will see an increase in deaths again in 2016. An analysis by the Commonwealth's Center for Health Information and Analysis (CHIA) of the individuals who were determined to have died from an overdose in Massachusetts in 2014 found that approximately 75 percent were enrolled in MassHealth, indicating that MassHealth has an opportunity to play an important role in ensuring that treatment services are available to address the opioid epidemic.

While Massachusetts provides a substantial array of SUD treatment services today, it plans to improve the system's capacity to fully stabilize individuals in acute treatment services and ensure a transition to the most appropriate level of care through greater availability of step-down services.

Under the leadership of the Executive Office of Health and Human Services, MassHealth, the Department of Public Health (DPH), and other agencies are working together to increase capacity. In concert with expanded MassHealth services, DPH is adding over 400 beds over the next few years to various SUD services. In addition, MassHealth is adopting a standardized American Society of Addiction Medicine (ASAM) assessment across all providers, enabling providers to identify members who need services.

Under the Waiver, the MassHealth SUD benefit will be expanded to include the full continuum of medically necessary 24-hour community-based rehabilitation services. MassHealth will use new federal funds generated under the Waiver to expand the state's capacity of residential rehabilitation service programs and fund care coordination and recovery services to members with significant SUD.

4. Safety Net Care Pool

The Safety Net Care Pool (SNCP) was established effective July 1, 2005 for the purpose of reducing the rate of uninsurance in the Commonwealth while providing residual provider funding for uncompensated care and care for Medicaid-eligible and low-income uninsured individuals. As the Commonwealth has achieved significant progress in increasing access to health coverage, the SNCP has evolved to support health system transformation and infrastructure expenditures, both aimed at improving health care delivery and thereby improving access to effective, quality care. This new Waiver agreement renews the federal and state commitment to the safety net by authorizing nearly $8 billion of SNCP payments over the next five years. The new SNCP includes funding for $1.8 billion in Delivery System Reform Incentive Program (DSRIP) funding, $1.3 billion for subsidies to assist consumers in obtaining affordable coverage on the Massachusetts Health Connector, and $4.8 billion for uncompensated care by safety net providers, including through the Health Safety Net, and for non-state, public hospital incentive programs. Under the new Waiver, the number of safety net providers expands from seven to fifteen in the SNCP.

Safety Net Care Pool: Authorized funding amounts

Funding category	Description	Funding authority, SFY 2018-22	
		Average	Total
DSRIP	Incentive-based payments to ACOs, Community Partners, and other statewide investments	$360M	**$1,800M**
Uncompensated Care	Payments for uncompensated care provided by safety net providers	$963M	**$4,839M**
a) Public Hospital Transformation Incentives and Initiative	Incentive-based payments to Cambridge Health Alliance to support ACO participation and behavioral health initiatives	$170M	$852M
b) Health Safety Net	Payments to hospitals and community health centers for uninsured populations	$296M	$1,480M
c) Safety net hospital supports	Payments to critical safety net hospitals to support ongoing operations. Portion of funding is at risk.	$197M	$983M
d) Uncompensated care at DPH and DMH Hospitals	Payments to state hospitals for uninsured and Medicaid-eligible populations	$273M	$1,364M

Funding category	Description	Funding authority, SFY 2018-22	
e) Uncompensated care at Institutions of Mental Disease	Payments to psychiatric hospitals and community-based detoxification providers for uninsured and Medicaid-eligible populations	$32M	$160M
Connector Subsidies	Payments to support premium and cost-sharing subsidies for Health Connector enrollees, and payments through the HSN to cover individuals between eligibility determination and enrollment	$250M	**$1,250M**
Total	**Total Safety Net Care Pool Funding authorized under Waiver**	**$1,578M**	**$7,889M**

Incentive-Based Payments

Incentive based payments in the SNCP include the $1.8B DSRIP program, described above, and the Public Hospital Transformation Incentives Initiative (PHTII), which is granted $852 million in authority over the five year Waiver period. PHTII, which was included in prior Demonstrations, will provide incentive-based funding to Cambridge Health Alliance (CHA), the state's only public acute care hospital. Like the DSRIP program, PHTII is time-limited and an increasing proportion of PHTII funding will be at-risk based on ACO performance, outcome, and improvement measures over the course of the five year period.

Provider Payments

The agreement also preserves and enhances the amount of funding available to providers to support uncompensated care for Medicaid-eligible, uninsured, and underinsured individuals. The Waiver authorizes nearly $1.5 billion over the five year period for the Health Safety Net, including new expenditure authority that provides federal funding for roughly $84 million per year in Health Safety Net payments to community health centers. A total of $1.5 billion over the five year period was also authorized for uncompensated care at hospitals operated by the Departments of Mental Health and Public Health, and at non-public Institutions of Mental Disease (IMDs).

Additionally, the agreement provides payments to the state's fifteen largest safety net providers, which serve a high proportion of Medicaid and uninsured individuals. This funding is not time-limited and is intended to provide ongoing support. Fourteen hospitals will be eligible to receive these payments, eight of which will receive these payments for the first time. Cambridge Health Alliance, the fifteenth hospital, is eligible to receive payments through PHTII, as described above, as well as additional managed care incentive payments.

Hospitals Eligible for Safety Net Payments
Boston Medical Center
Baystate Medical Center*
Berkshire Medical Center*
Baystate Franklin Medical Center*
Cambridge Health Alliance^
Holyoke Medical Center
Lawrence General Hospital
Mercy Medical Center
North Shore Medical Center*
Signature Healthcare Brockton Hospital
Southcoast Hospital Group*
Steward Carney Hospital
Good Samaritan Medical Center*
Steward Morton Hospital*
Tufts Medical Center*

***Denotes hospital newly eligible for Safety Net Payments**
^ Cambridge Health Alliance is eligible to receive safety net payments through the PHTII program and other incentives

Hospitals which receive safety net payments have a Medicaid/uninsured payer mix of at least 20 percent and a commercial payer mix of less than 50 percent. They must also have a history of experiencing a shortfall of their Medicaid and Uninsured payments versus costs. A portion of the payments will be at-risk, ranging from 5 percent in year 1 to 20 percent in year 5, based on each provider's performance on the ACO DSRIP measures. Receipt of safety net provider payments will be contingent on hospitals' meaningful participation in MassHealth managed care organization networks, contracting at an appropriate fee schedule.

The budgeted amount of safety net supplemental payments, which MassHealth anticipates will be less than the amount authorized under the Waiver, is below:

Hospital Provider	SFY18 ($M)	SFY19 ($M)	SFY20 ($M)	SFY21 ($M)	SFY22 ($M)	Five-Year Total
Boston Medical Center	$97.91	$96.64	$96.64	$96.64	$95.65	**$483.48**
Holyoke Medical Center	$5.90	$5.90	$5.90	$5.90	$5.90	**$29.50**
Lawrence General Hospital	$12.00	$11.73	$11.36	$11.09	$10.42	**$56.60**
Mercy Medical Center	$11.82	$11.45	$11.09	$11.02	$10.95	**$56.33**
Signature Healthcare Brockton Hospital	$13.36	$12.73	$12.27	$12.09	$12.06	**$62.51**
Steward Carney Hospital	$4.65	$4.65	$4.65	$4.65	$4.65	**$23.25**
Baystate Medical Center	$5.61	$5.61	$5.61	$5.61	$5.61	**$28.05**
North Shore Medical Center	$3.37	$3.37	$3.37	$3.37	$3.37	**$16.85**
Southcoast Hospital Group	$4.07	$4.07	$4.07	$4.07	$4.07	**$20.35**
Tufts Medical Center	$3.40	$3.40	$3.40	$3.40	$3.40	**$17.00**
Morton Hospital	$0.50	$0.50	$0.50	$0.50	$0.50	**$2.50**
Franklin Medical Center	$0.47	$0.47	$0.47	$0.47	$0.47	**$2.35**
Berkshire Medical Center	$1.63	$1.63	$1.63	$1.63	$1.63	**$8.15**
Good Samaritan Hospital	$0.95	$0.95	$0.95	$0.95	$0.95	**$4.75**
Total	**$165.64**	**$163.10**	**$161.91**	**$161.39**	**$159.63**	**$811.67**

Health Connector Subsidies

The SNCP includes $1.25 billion over the five year period to fund premium and cost-sharing subsidies and gap coverage through the Health Safety Net for individuals who purchase coverage through the Health Connector and whose income is at or below 300 percent of the FPL. These are important features of the SNCP because they address the affordability of coverage for people who do not qualify for MassHealth and may face challenges to purchasing coverage in the private market. The details of these subsidies are in the following section.

5. Coverage and Affordability

In 2006, the 1115 Demonstration Waiver authorized the Commonwealth Care program, which provided coverage for uninsured adults with income up to 300 percent of the federal poverty level (FPL) through the state's health insurance exchange, the Health Connector. When, in 2010, the federal Affordable Care Act made new subsidies available to residents with incomes up to 400 percent of the FPL purchasing insurance through the Health Connector, the Commonwealth created the ConnectorCare program to provide additional subsidies and to maintain health insurance affordability levels for former Commonwealth Care enrollees. At that time, the Waiver authorized federal matching funds for state-supported premium subsidies through ConnectorCare and continues to do so in the new Waiver.

In addition to the state premium subsidies, this Waiver newly authorizes state cost-sharing subsidies. These subsidies support affordability and access at the point of service to achieve cost-sharing levels similar to the levels that this population had access to in the Commonwealth Care program. These subsidies had already been available but will now receive federal reimbursement.

The Waiver also includes funding for payments made by the state's Health Safety Net (HSN) to provide gap coverage for individuals eligible for coverage through the Health Connector. HSN payments are made to provide coverage to eligible individuals for up to 100 days between establishing their eligibility for ConnectorCare and their selection of and enrollment in a plan. While prior Waiver agreements authorized a federal match for this gap coverage, the new Waiver agreement eliminates a cap that had previously applied to this spending.

6. Other Programmatic Elements

The Waiver authorizes Massachusetts to require students with access to a Student Health Insurance Plan (SHIP) to enroll in the plan as a condition of receiving MassHealth benefits. MassHealth provides premium and cost-sharing assistance, as well as MassHealth-covered benefits that are not available through SHIP. Massachusetts will also offer continuous MassHealth eligibility for the duration of the SHIP year.

While Massachusetts has provided state-funded access to CommonHealth for working people with disabilities over age 65 for many years, the program is now being recognized as a federal Medicaid benefit. Eligibility for the CommonHealth program is not changing, but the federal government will now provide federal matching funds (FFP) for CommonHealth members with disabilities who are 65 and over

and working. This will allow these members to have continued access to CommonHealth benefits and to their existing care arrangements.

The Waiver authorizes MassHealth to change its cost-sharing structure. Following the submission of a State Plan Amendment, there will be no copays for members with income at or under 50 percent of FPL (about 60 percent of MassHealth members). For those over that income level, MassHealth will charge nominal copays for additional service categories beyond pharmacy and inpatient hospital services (which currently require copayments). Groups that are now exempt from copays (children under 21, pregnant women, individuals living in an institution or receiving hospice care, and American Indians/Natives) will continue to be exempt. In addition, MassHealth may offer lower cost-sharing for members who choose to enroll in ACOs and MCOs, as well as to fee-for-service members: copays in those delivery systems will be lower than in the PCC plan. For all members not exempt, copayments will be capped at two percent of family income each quarter.

Massachusetts will continue to use streamlined redeterminations to renew MassHealth eligibility for families, parents, and childless adults enrolled in the Supplemental Nutrition Assistance Program (SNAP).

7. Stakeholder Process

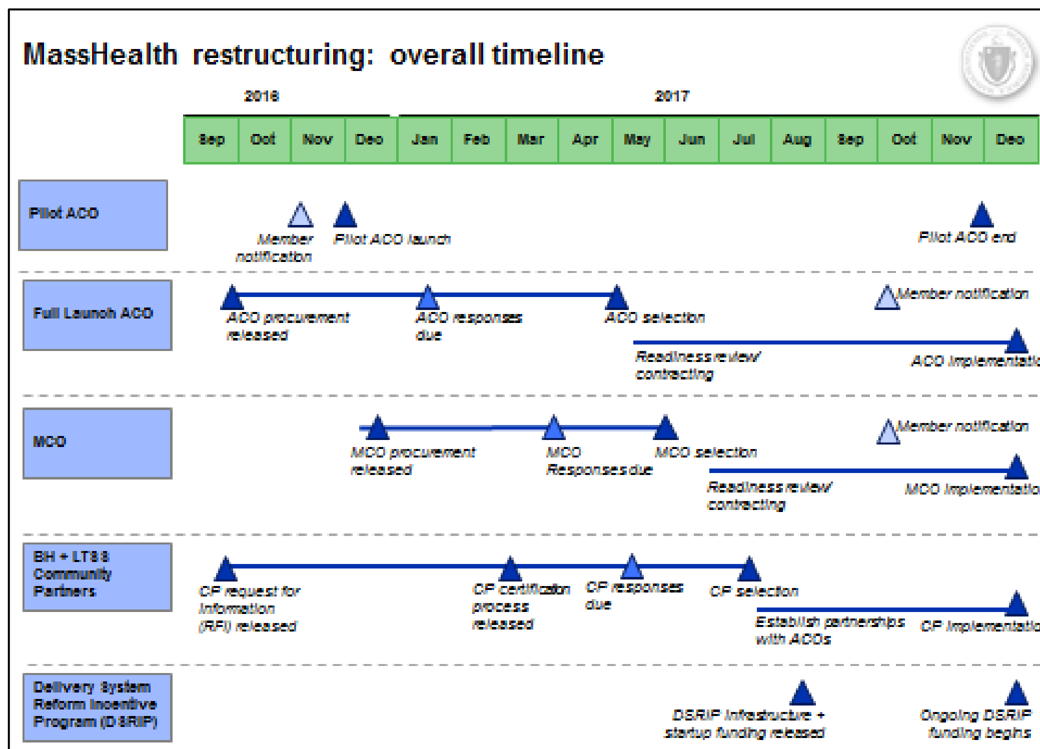
The details of the Waiver extension have been strongly informed by the input of various stakeholders – members, advocates, payers, providers, academics – throughout the development of MassHealth's Waiver proposal. Between April and July 2015, MassHealth held eight public listening sessions and additional individual stakeholder meetings across the state. Between August 2015 and February 2016, eight workgroups, consisting of representatives from 120 organizations and state agencies, convened a total of 60 times to give input on specific aspects of program design. Additional public meetings solicited public feedback on the issues raised in the workgroups. Consistent with federal requirements, Massachusetts conducted a 30-day public comment process following the formal submission of the Waiver proposal, and received over 100 oral and written comments.

MassHealth intends to continue this engagement with stakeholders. It has convened four technical advisory groups – a reconstitution of the earlier eight workgroups – which began meeting starting in October 2016. MassHealth held two open public meetings at the beginning of October and will hold additional open meetings throughout the year. MassHealth will also convene a Delivery System Reform Implementation Advisory Council by February 2017 to provide advice and input regarding the implementation of MassHealth's overall delivery system reform efforts, including health care quality measurement. Membership of the Advisory Council will be representative of MassHealth consumers or consumer advocates, providers, provider organizations, and health plans. MassHealth also plans to provide an ombudsman to support members in accountable and managed care systems, including those for seniors and people with dual eligibility for Medicaid and Medicare (Senior Care Options, Program of All-inclusive Care for the Elderly, and One Care).

8. Upcoming Timeline

Federal approval of the Waiver is a major milestone in restructuring the MassHealth program, but the work of refining the design and implementing the program has already begun and will continue, through December 2017 and beyond. MassHealth's upcoming timeline for delivery system reform is as follows:

September 2016	ACO procurement released
November 2016	Approval of Waiver amendment and extension
December 2016	ACO Pilot starts (six pilot programs in total) MCO procurement release
January 2017	ACO proposals due
February 2017	Community Partner certification process released
Spring 2017	MCO proposals due ACO and MCO selection announcements; readiness review begins
Summer 2017	Community Partners selection announcements; CPs start establishing partnerships with ACOs and MCOs DSRIP funding begins for ACOs and CPS
Fall 2017	Members notified of ACO and MCO options
December 2017	ACO pilot ends New ACO and MCO member enrollments begin Community Partner program begins



Additional details about the Waiver are available on the MassHealth Innovations website: http://www.mass.gov/hhs/masshealth-innovations.