



Medicaid Service Delivery & Payment Reform in MA

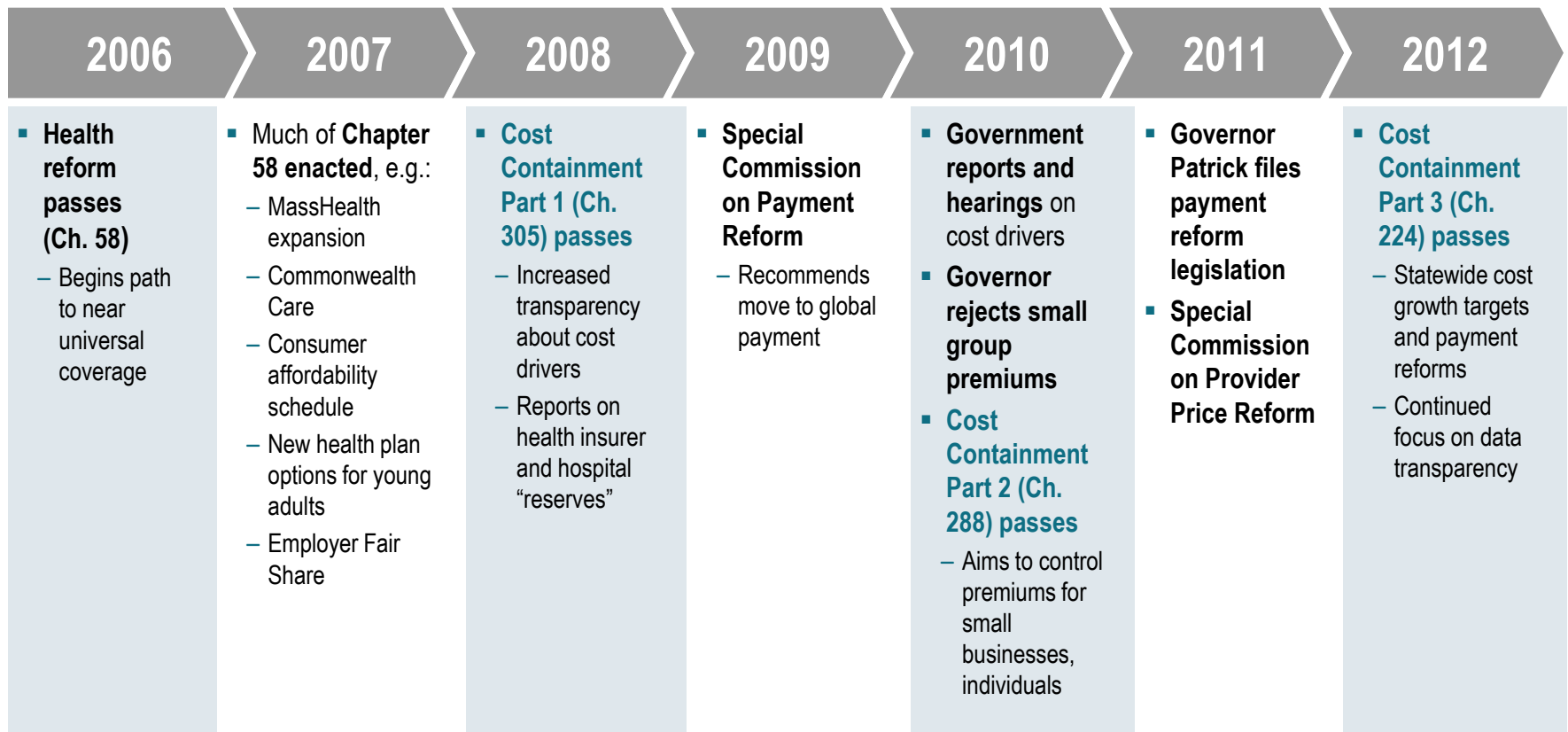
Audrey Shelto, President

January 23, 2014

Key Affordability/Cost-Related Developments in Massachusetts



MASSACHUSETTS



Chapter 224 of the Acts of 2012



MASSACHUSETTS

- Effective November 5, 2012
- Reduce growth in MA health care costs and improve quality & patient care through:
 - Enforcement of cost growth benchmarks
 - Promotion of alternative payment methods (APMs), medical homes and accountable care organizations
 - Collection & analysis of payer and provider data

State Agencies Implementing Ch. 224

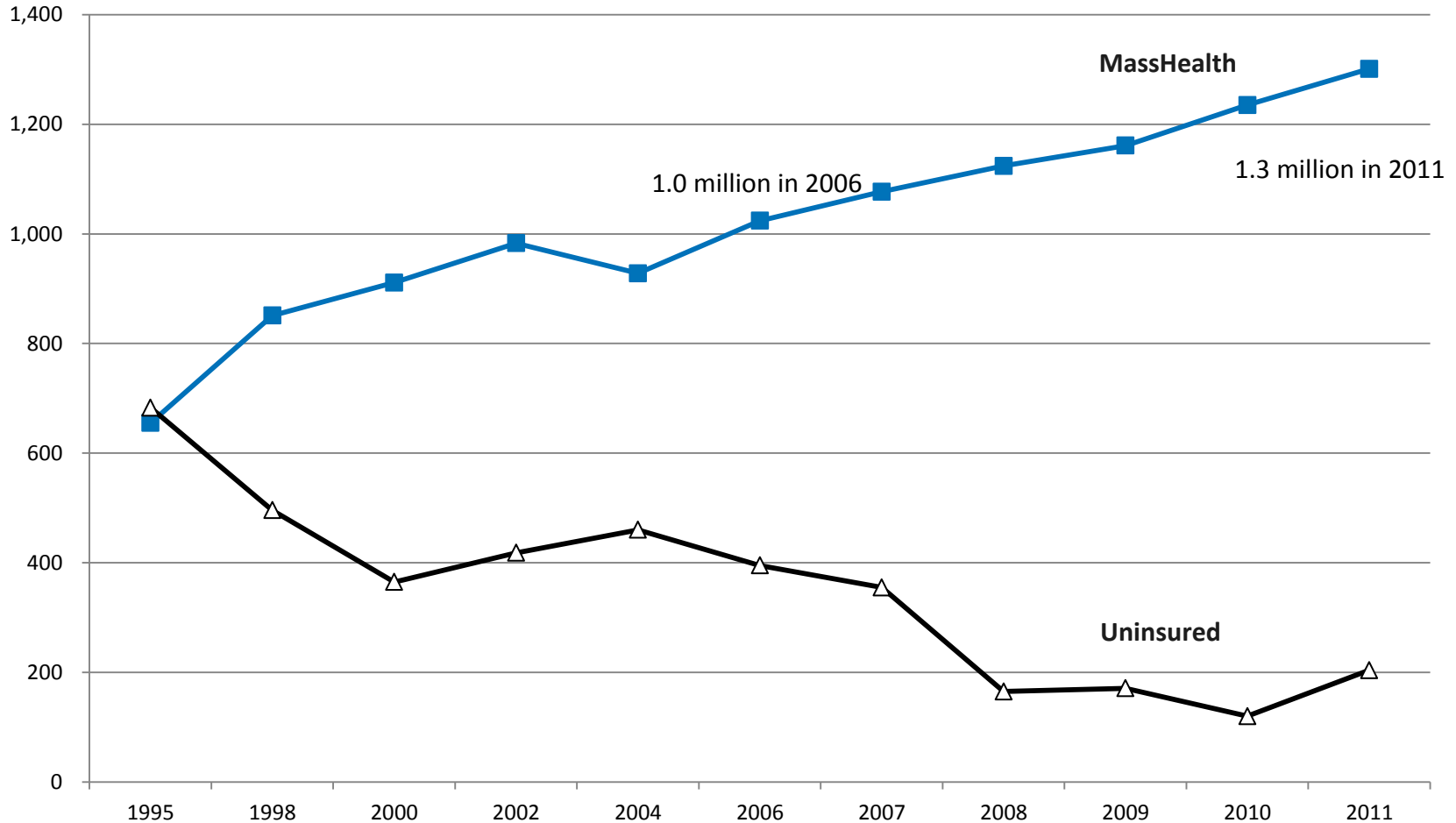


MASSACHUSETTS

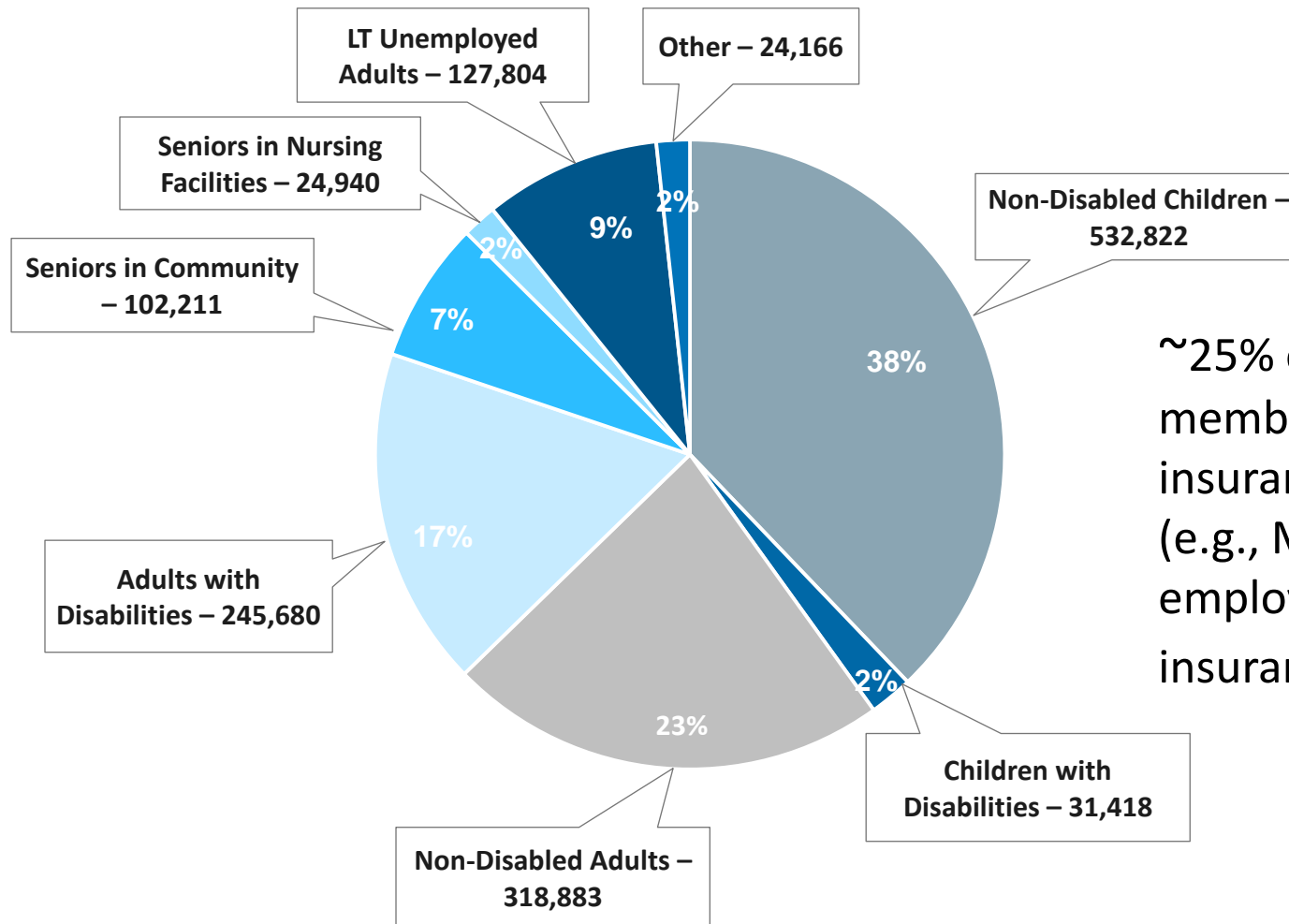
- Health Policy Commission (HPC)
Independent agency governed by 11-person board and advised by council
- Center for Health Information & Analysis (CHIA)
Independent agency to perform enhanced data collection, dissemination and policy analysis, in part to support HPC activities

MassHealth Enrollment has Grown with Eligibility Expansions and Economic Downturn

MassHealth Enrollment and Uninsured, 1995 - 2011
(Thousands)



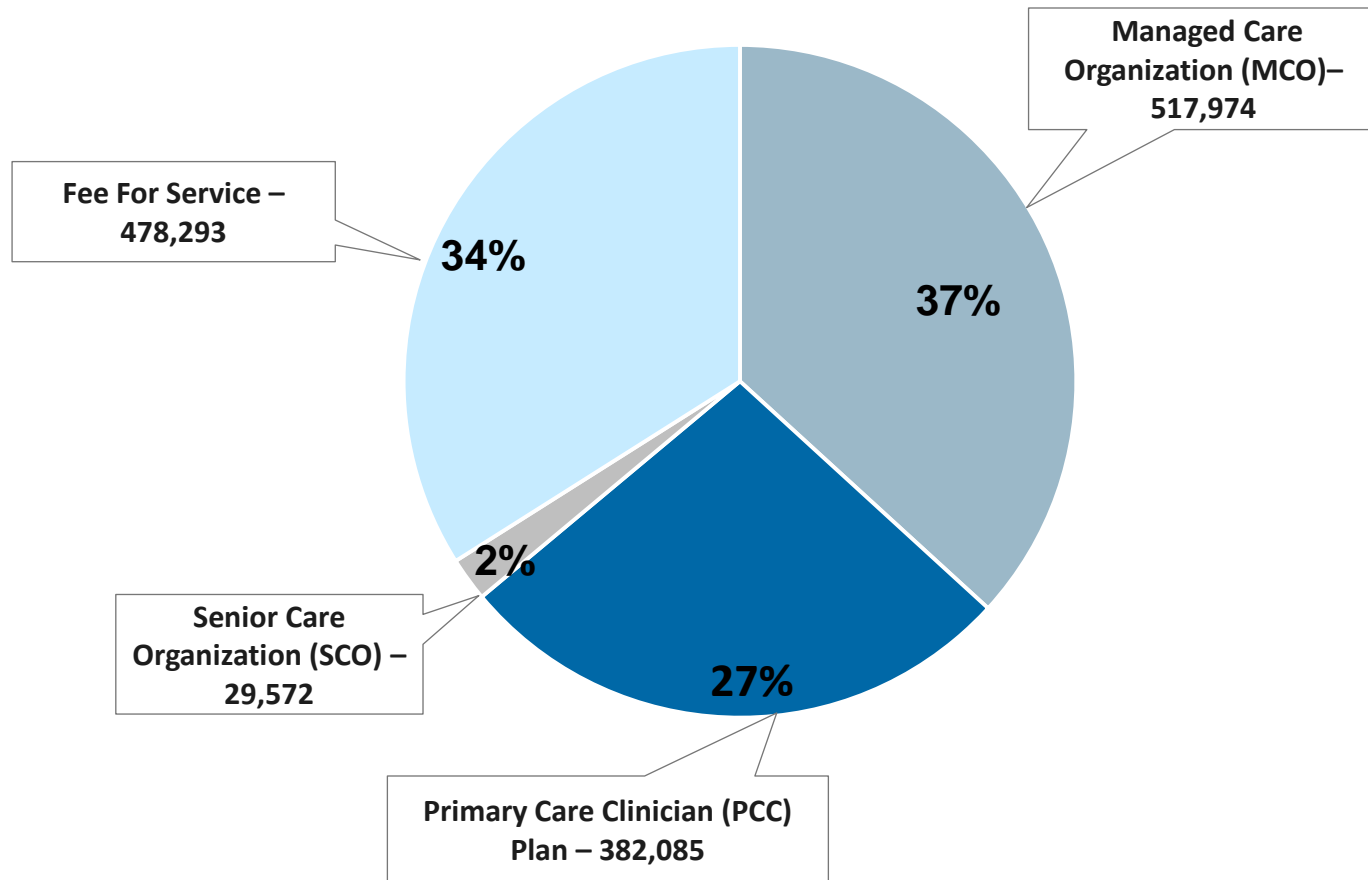
MassHealth Covers Children, Adults and Seniors and Often Supplements Other Insurance



~25% of MassHealth members have other insurance as primary (e.g., Medicare, private employer-sponsored insurance)

MassHealth Enrollment as of October 31, 2013; Total enrollment = 1,407,924

Three out of Five MassHealth Members Are Enrolled in Managed Care

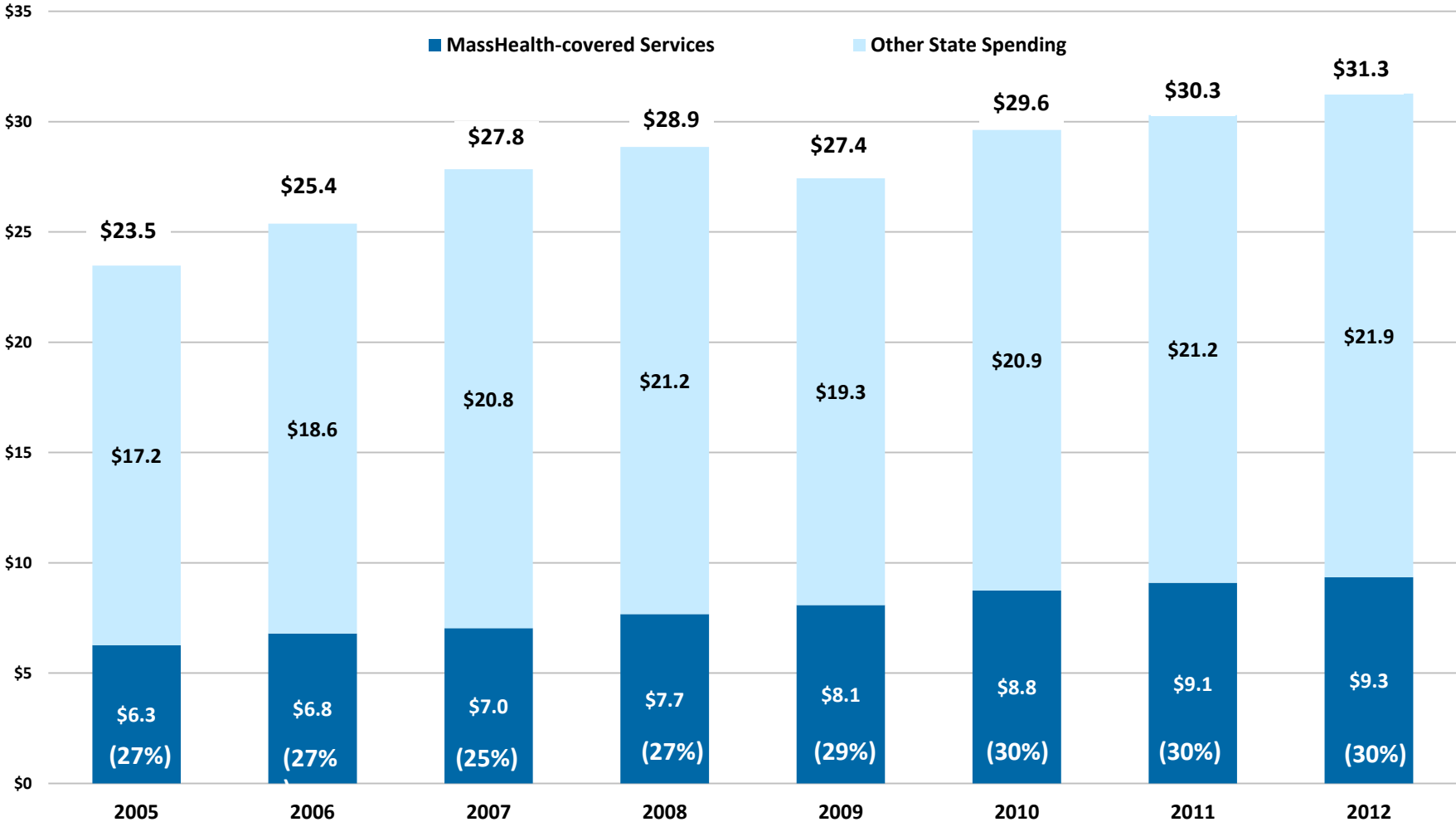


MassHealth Enrollment as of October 31, 2013; Total enrollment = 1,407,924

Federal and State Spending on MassHealth Represents 30 Percent of the State Budget



**MassHealth (including Federal reimbursement) as a Proportion of All State Spending
(Billions of Dollars)**



Implementation of the ACA in Massachusetts

- Expands Medicaid to everyone with incomes below 133% FPL
 - 325,000 will be enrolled in new MassHealth “Care Plus”
 - Most already have other subsidized coverage or assistance
 - Estimate that 45,000 formerly uninsured will obtain coverage
- Implementing Qualified Health Plan (QHP) through Health Connector (MA’s Exchange)
 - “Connector Care” created as an enhanced QHP for those with incomes below 300% FPL to maintain coverage consistent with former Commonwealth Care program
- With challenges implementing new on-line eligibility and enrollment system, MassHealth providing temporary coverage as IT issues are addressed

One Care Initiative

- Integration of services and financing for persons dually eligible for Medicare and MassHealth aged 21 to 64. Approx. 90,000 pp.
- Voluntary program with auto-enrollment waves January, April & July 2014.
- Implementation Council of consumers and other stakeholders monitoring progress
- Total number of enrollees as of January 1: **9,506**
- Total number of opt-outs as of January 1: **15,567**
- Of the individuals who received a One Care enrollment package, **~19%** have chosen to opt out

Primary Care Payment Reform Initiative

- Ch 224 requires MassHealth to shift to alternative payment methods (APMs)
 - 80% of MassHealth of members must receive care via providers paid under APMs by July 1, 2015
- Builds off experience with patient centered medical home (PCMH) pilot with expanded requirements for integration of behavioral health services for all enrollees and clinical care management for high risk
- Payment approach:
 - Risk adjusted monthly primary care payment per enrollee
 - Annual quality incentive payment
 - Transitioning to shared savings/risk
- If primary care provider participates must have APM with both the state managed Primary Care Clinician (PCC) Plan and MassHealth-contracted MCOs
- Three year demonstration beginning March 1, 2014
- 30 providers participating – many of whom are CHCs

1115 Waiver Renewal

- Vehicle for Medicaid expansion since 1996 - 1115 waiver allows state to vary from federal rules as long as “budget neutral”
- Current MassHealth waiver set to end June 30, 2014
- Requesting authority to implement Primary Care Payment Reform initiative and a more global accountable care organization (ACO) model to be developed
- Requesting extension of Safety Net Care Pool - \$8.5 billion over 5 years of waiver
 - Delivery System Transformation Initiatives (DSTI) – funding to 7 safety net hospitals to invest in integrated delivery systems and readiness for payment reform

Contact Us

Audrey Shelto, President

Blue Cross Blue Shield of MA Foundation

www.bcbsmafoundation.org

The Landmark Center

401 Park Dr.

Boston, MA 02215

Phone: 617.246.3744

Fax: 617.246.3992