

MassHealth

Section 1115 Quarterly Report

Demonstration Year: 21 (7/1/2017 – 6/30/2018)

Quarter 2: (10/1/17 – 12/31/17)

Introduction

The Commonwealth of Massachusetts' current 1115 Demonstration agreement (Project Number II-W-00030/I) Extension was approved on November 4, 2016, effective July 1, 2017 through June 30, 2022. This extension seeks to transform the delivery of care for most MassHealth members and to change how that care is paid for, with the goals of improving quality and establishing greater control over spending. The waiver also addresses the epidemic of opioid drug use in Massachusetts. The waiver extension seeks to advance six goals:

- Goal 1: Enact payment and delivery system reforms that promote integrated, coordinated care; and hold providers accountable for the quality and total cost of care
- Goal 2: Improve integration of physical, behavioral and long-term services
- Goal 3: Maintain near-universal coverage
- Goal 4: Sustainably support safety net providers to ensure continued access to care for Medicaid and low-income uninsured individuals
- Goal 5: Address the opioid addiction crisis by expanding access to a broad spectrum of recovery-oriented substance use disorder services
- Goal 6: Increase and strengthen overall coverage of former foster care youth and improve health outcomes for this population.

In accordance with the Special Terms and Conditions (STCs) of the Demonstration and specifically STC's 78 and 79, the Massachusetts Executive Office of Health and Human Services (EOHHS) hereby submits its quarterly operational report for Demonstration Year 21, Quarter 2 ending December 31, 2017.

Enrollment Information

The enrollment activity below reflects enrollment counts for SFY 2018 Quarter 2, as of December 2017.

| <u>Eligibility Group</u> | <u>Current Enrollees (to date)</u> |
|---------------------------------|---|
| Base Families | 817,911 |
| Base Disabled | 222,031 |

| | |
|---|---------|
| 1902(r)(2) Children | 17,496 |
| 1902(r)(2) Disabled | 16,351 |
| Base Childless Adults (19-20) | 27,591 |
| Base Childless Adults (ABP1) | 30,784 |
| Base Childless Adults (CarePlus) | 280,296 |
| BCCTP | 1,255 |

| <u>Eligibility Group</u> | <u>Current Enrollees (to date)</u> |
|---|------------------------------------|
| CommonHealth | 26,091 |
| e-Family Assistance | 9,085 |
| e-HIV/FA | 663 |
| SBE | 23 |
| Basic | N/A |
| DSHP- Health Connector Subsidies | N/A |
| Base Fam XXI RO | 0 |
| 1902(r)(2) XXI RO | 0 |
| CommonHealth XXI | 0 |
| Fam Assist XXI | 0 |
| Asthma | N/A |
| TANF/EAEDC* | N/A |
| End of Month Coverage | N/A |
| Total Demonstration | 1,449,577 |

*TANF/EAEDC is a subcategory of Base Families

Enrollment in Managed Care Organizations and Primary Care Clinician Plan

The information below reflects enrollment counts for the respective quarters as of December 2017.

| Plan Type | QE 09/17 | QE 12/17 | Difference |
|------------------|-----------------|-----------------|-------------------|
| MCO | 824,856 | 789,436 | -35,420 |
| PCC | 389,466 | 420,114 | 30,648 |
| MBHP | 450,135 | 486,277 | 36,142 |
| FFS | 551,919 | 607,402 | 55,483 |
| PA only | 19,017 | 19,173 | 156 |

| | | | |
|-----|---|---|---|
| ACO | 0 | 0 | 0 |
|-----|---|---|---|

Enrollment in Premium Assistance and Small Business Employee Premium Assistance

During this reporting quarter, MassHealth provided premium assistance for 39,884 health insurance policies (including Student Health Insurance Plan policies), resulting in premium assistance to 51,404 MassHealth eligible members. Note that in the delivery system enrollment numbers above, members in FFS and in MBHP may receive also premium assistance.

The Small Business Premium Assistance Program is still operating; however, the numbers continue to drop since the last reporting period. During the quarter we had an average monthly enrollment of 23 members in the SBEPA program. This is down 3 enrollments from last reporting period. The drop in enrollments continues to be mainly due to either loss of private insurance, or the member was determined eligible for a richer benefit and has been transferred to a Premium Assistance benefit under another category of aid.

A new premium assistance project was implemented by MassHealth in fall of 2016 called Student Health Insurance Plan Premium Assistance (SHIP PA). This project allows current MassHealth members who are full-time college students and have access to SHIP through their college or university to enroll in their schools' SHIPs and receive MassHealth Premium Assistance. In November 2016, MassHealth received approval through the 1115 demonstration waiver to require that any full-time student enrolled on MassHealth must enroll in the SHIP plan, if available. MassHealth eligible college students were previously able to waive out of electing SHIP; however, under the Amendment to the 1115 Waiver approved November 4, 2016, enrollment in their SHIP program is mandatory. As of December 2017, 28,583 students were enrolled in the program. Participation in the program exceeded the projection of 25,000 enrollments by the close of the 2017 fall semester by more than 3,000 policies.

| Premium Assistance Program | Disabled Members | Non-Disabled Members | Total MassHealth Enrolled Members |
|---|-------------------------|-----------------------------|--|
| <i>Standard</i> | 1,828 | 9,800 | 11,628 |
| <i>CommonHealth</i> | 3,070 | 0 | 3,070 |
| <i>Family Assistance</i> | 20 | 7,589 | 7,609 |
| <i>CarePlus</i> | 0 | 500 | 500 |
| <i>Small Business Employee Premium Assistance (SBEPA)</i> | 0 | 14 | 14 |

| | | | |
|--|--------------|---------------|---------------|
| <i>Student Health Insurance Premium Assistance (SHIP PA)</i> | | 28,583 | 28,583 |
| Total for Q2 | 4,918 | 46,486 | 51,404 |

Outreach/Innovative Activities

Certified Application Counselor Training and Communication

MassHealth continues its extensive training and communication efforts to continually educate and inform the over 1,400 Certified Application Counselors (CACs) across 270 CAC hospitals, community health centers, and community service organizations. Collaboration with the Massachusetts Health Connector on these activities provides timely, uniform knowledge and messaging across all enrollment Assisters (CACs and the Health Connector Navigators, Independent Enrollment Assisters).

CAC training and certification starts with successful completion of ten online, comprehensive certification training courses (over 850 pages) to prepare CACs to assist consumers in obtaining MassHealth/health insurance per ACA regulations, covering all aspects of MassHealth, subsidized and unsubsidized health coverage, as well as instruction on utilizing the paper and online applications in the most effective and efficient way. Learning for CACs continues throughout the year in the form of Assister emails, conference calls, webinars, meetings, and other outreach activities. All CACs must take and pass a comprehensive assessment each fall to meet annual recertification requirements.

Frequent email communications are distributed to all enrollment Assisters on a wide variety of MassHealth eligibility and related topics, as well as refreshers, in order to help Assisters assist MassHealth applicants/members/consumers effectively. Thorough communications and trainings are provided for all application changes and Health Insurance Exchange (HIX) system releases. Regular one-hour conference call trainings are also provided for the Assisters, providing a more in-depth explanation and include detailed question and answer sessions with subject matter experts. Certain trainings are considered mandatory and CACs are required to complete the training within a specific time period in order to maintain CAC certification. Mandatory events cover key topics such as policy or process updates, certification course updates, and other eligibility/enrollment activities.

During this quarter the CAC Training team's primary focus was on Assister education and communication activities in support of the new MassHealth health plan options and introduction of Accountable Care Organizations (ACOs) going into effect March 1, 2018. With MassHealth member notices being sent to managed care eligible members with personalized information about changes to their health plan enrollment effective March 1, timely and ongoing education for the CACs is central to a smooth transition for members.

Educational activities for CACs kicked off in earnest starting late October with Assister Update newsletters informing CACs of the upcoming changes, training requirements, and additional support and learning opportunities around the new MassHealth health plan options. Activities for CACs include comprehensive mandatory training, bi-weekly Assister conference calls with MassHealth policy experts, webinars, and presentations at the quarterly Massachusetts Health Care Training Forums (MTF).

In November, CACs completed intensive, mandatory online training that provided detailed explanations of the new health plan options, ACOs, timelines, member movement, and required member actions or options. Our new eLearning tools were utilized in developing the new course which includes interactive and audio components to improve comprehension of this complex topic. Support materials such as samples (English and Spanish) of the five types of personalized member mailing packets (member letter, ACO information sheet, enrollment event flyer, etc.), an ‘at a glance’ job aid showing the a table of letter types/audience along with a timeline of key dates and actions for members, are included in the training and available as resources in the Learning Management System (LMS), where all CAC training, communications and tools are stored and accessed by CACs.

To help CACs continue to learn as they assist members starting in November and continuing through March 2018, bi-weekly Assister conference calls were and are held to review timelines and member actions, provide updates, review best practices and FAQs, and also provide an open Q&A period for CACs to ask questions. Feedback and questions from the Q&As are shared with the MassHealth team for follow-up. The calls will continue beyond the March 1, 2018 launch of the new health plan options.

Two webinars provided to Assistors in late November walked them through the launch of the new MassHealth Choices website. Assistors learned how they can navigate and use the website as they help members learn about new plan choices, compare choices, and enroll in the health plan that is best for them. Review of a sample Learn, Compare, Enroll worksheet—available to CACs and the public on the MassHealth Choices website—helped CACs understand how this tool can help members collect the information they need when choosing a health plan.

Bi-weekly calls (opposite weeks of the Assister bi-weekly calls) held with CAC stakeholders (Mass Hospital Association (MHA), League of Community Health Centers, Health Care for All) and some of our larger CAC organizations (Partners Healthcare and Steward Healthcare) provide us with valuable and timely feedback regarding Assister experiences and issues such as helping members, training, customer service, or using MassHealth resources such as the MassHealth Choices and MassHealth websites and provider directories. These calls, along with feedback from the Q&A sessions during the Assister calls, have allowed us to quickly respond to questions and issues and, where possible, improve or supplement information provided to CACs.

In addition to the new MassHealth Health plan options, other key activities for the Training and Communications team this quarter included mandatory annual recertification of the 1,400+ CACs during November and December 2017, Assister newsletters and calls regarding the

MassHealth hurricane evacuee support process, and support for the Health Connector Open Enrollment period. Outreach activities included 40 email newsletters/call invitations, 13 Assister calls, and 2 Assister webinars. In-person CAC educational opportunities included 4 October MTF regional sessions, along with afternoon sessions offered during some of the MTF days that provided an overview of the new MassHealth Health Plans, ACOs, and member movement.

Member Education and Communication

The largest member-impact effort that MassHealth is currently implementing is the roll out of new health plan options to support the state's Payment and Care Delivery Initiative (PCDI). These changes impact roughly 1.2M managed care eligible MassHealth members.

During this quarter, MassHealth developed and implemented a multi-prong member support strategy to rollout this effort. That approach covers three categories, each focused on different strategic goals. The approaches were to create global awareness and education, support materials and member engagement, and enhancements to customer service support.

1. Global Awareness and Education

The first category was creating a global awareness and education approach that provided training, created communications, and member friendly materials that shared broad information to mass audiences, educating members and our stakeholder communities on the program changes. During the quarterly MTF in-person meetings (total of 4 meetings reaching statewide), we educated and trained our stakeholders, hospital staff, health center staff, the provider community and organizations that support our members, informing them of the changes. In addition to the morning meetings, afternoon sessions were held for other state agency staff under the Executive Office of Health and Human Service who directly work with MassHealth members, to provide additional opportunities to understand the new MassHealth health plans. Among all the MTF sessions, in total over 1,352 individuals participated and were trained. To provide additional support and trainings, an additional in service trainings, webinars and conference calls were held, in total over 2,757 participated. These webinars provided additional information related to member and population specific needs and questions.

2. Support Materials and Member Engagement

The second category was to support our members during this transition. MassHealth created member-friendly materials and began to hold special events to support member enrollment choices and assist with any eligibility issues they were experiencing.

In October – December 2017, MassHealth developed member-friendly letters to inform members of their new health plan choices. In order to maintain important provider relationships and ease continuity of care, if a member's primary care provider was moving into a new health plan, they received a letter informing them that they would be following their primary care provider into a new health plan on March 1st, if they did not make another decision. Heads of household also received a new MassHealth Health Plan Enrollment Guide, which provided them with information about all the MassHealth health plans available. All materials were written in plain

language, using infographics, and were translated into English and Spanish. They were also made available, upon request, in other languages. All member notices were sent in either English or Spanish, depending on the preferred language indicated by the member. In addition all notices included a standard Babel sheet, with information consistent with requirements at ACA Section 1557 on how to access the information in 15 other languages as well as alternative formats such as braille and large print, and the availability of a language line offered by our customer service vendor and translators to support requested needs.

A new member website was launched in late 2017 called MassHealthChoices.com. It was created as an interactive way for members to Learn, Compare, and Enroll in their desired health plan. The website is available in English and Spanish. An animation was also created to help members understand how to choose a health plan, the importance of having a primary care provider and how to enroll in their desired health plan.

In addition, we developed targeted communication materials designed to educate and engage individuals in their health care. Our materials included tools to understand how to select a health plan and a primary care provider that's important to the member, to understand the new Accountable Care Organization models and some of the benefits for members, to how to navigate our new MassHealthChoices.com website, along with easy to read and understand new health plan web content.

In addition, MassHealth outreach staff held enrollment events to help members complete renewals and health plan selection. Enrollment events are opportunities for new applicants and current members to meet with MassHealth staff to ask questions about their coverage, and seek assistance in understanding how to use their health care. During January through May of 2018, MassHealth will hold 10 enrollment events across Massachusetts targeting diverse communities with high access needs and continued high under insurance rates. These events are to reach individuals where they are and conduct services in a way that meets the individual's needs. Language and American Sign Language interpreters are available at all events to assist consumers who are in need of those services.

3. Enhancements to Customer Service Support

And lastly, enhancements to the customer service center were made to provide effective customer service support to members by answering questions, providing resources, and resolving member issues. This was accomplished by increasing staff numbers and training all staff on the changes. In addition, in an effort to address member information in a timely manner, updates were made to our member messaging system and a special line was set up to directly provide members with particular health plan enrollment information. A reporting strategy and a triage process were established to escalate cases, with enhanced communication processes between the health plans and our customer support managers.

Provider Education and Communication

In the second quarter, MassHealth has completed Phase I: Awareness training as part of a multi-pronged approach focusing on creating awareness of the new health plan options. MassHealth is

currently conducting Phase II: Operations. Phase III: Community Partners is scheduled to begin April 1st.

During the quarter, MassHealth continued to conduct a series of webinars and in-person events, available to all 68,000 MassHealth providers, that will continue through Spring 2018.

This second phase of education (webinars and in-person events) is focused on:

- Overview of PCDI Communication and Education strategy
- Changes to the Eligibility Verification System (EVS)
- Plan-specific administrative and operational functionality
- Continuity of care policy
- Overview of member resources

To date, MassHealth has held a total of 30 webinars on this topic with a total of 917 attendees and a total of 14 in-person sessions with a total of 418 attendees.

MassHealth is working on developing two additional fact-sheets targeted to Pharmacy and Long Term Services and Support providers which will educate them on PCDI, how to communicate these changes with their patients, and how these changes influence important aspects of their practice such as networks, billing, and prior authorizations.

MassHealth has created an EVS Restrictive Messages quick reference guide, and Screenshot Examples to assist providers to further their understanding of EVS and system programming needs in preparation for March 1st.

As of December 2017, MassHealth continued to update the provider focused webpage, <https://www.mass.gov/payment-care-delivery-innovation-pcdi-for-providers> with materials as they became available. This is a primary landing page for providers to access key materials and learn more about payment reform activities.

Additionally, MassHealth is continuing to work with external stakeholders such as Provider Associations, Sister Agencies, and ACO health plans.

Safety Net Care Pool

The Safety Net Care Pool (SNCP), as approved in the 1115 demonstration as of July 1, 2017, includes a number of key programs and services which have unique policy developments, implementation challenges and successes. More detailed information about each of these programs is included in the subsections below.

Accountable Care Organizations (ACOs)

During this quarter, EOHHS provided robust guidance and support to ACOs and MCOs regarding the Community Partners (CP) program. EOHHS began a monthly series of joint meetings with the ACOs, MCOs, and CPs to share important milestones and

concepts and provide a forum for constructive feedback. Additionally, EOHHS released comprehensive guidance on expectations for the contracting relationships between the ACOs, MCOs, and CPs, provided instructions on which CPs the ACOs and MCOs must contract with based on geography, and worked on data sharing arrangements across entities. In December, EOHHS received and evaluated work plans from the ACOs and MCOs for how each entity plans to effectively partner with their CPs prior to the launch of the CP program.

EOHHS provided additional guidance to the ACOs about the DSRIP program via an updated DSRIP Guidance Document. The document outlined all of the requirements and deliverables the ACOs are responsible for in Performance Year 1 of the DSRIP program. In December, EOHHS received and programmatically evaluated budgets from each of the ACOs for their planned Performance Year 1 spending.

In November and December, EOHHS received and evaluated a series of strategic documents from each of the ACOs on the following topics: population health management (PHM) strategy, value-based payment strategy for providers, and return-on-investment strategy. EOHHS completed a detailed analysis on each ACO's strategies and scheduled multiple in-person meetings in order to better understand each ACO's approach. These documents were evaluated in parallel with the ACOs' Performance Year 1 DSRIP budgets (see above) in order to fully understand how the proposed investments fit into the ACOs' greater strategic vision.

During this quarter, EOHHS received and evaluated robust documentation from the ACOs and MCOs as a part of the "Readiness Review" process, including documentation on care delivery, care management, network adequacy, administrative functions, and a host of other topics. This process allows EOHHS to ensure that each ACO is compliant with all contractual requirements and meets the standard to begin the ACO program on March 1. EOHHS provided detailed feedback to ACOs where any changes were required.

EOHHS developed a comprehensive, internal performance monitoring strategy for all ACOs, formulating concrete focus areas for each ACO for the first year of the contract. Such focus areas will be points of ongoing discussion and monitoring over the course of the next year and are unique to each ACO.

In Q2, the State approved the remaining Preliminary Participation Plans and disbursed approximately \$83M in DSRIP funds corresponding to the 17 Preliminary Participation Plans, Preparation Budget Period (Prep BP) Budgets, and Prep BP Budget Narratives. ACOs are utilizing the funds for a variety of different startup and ongoing tasks with a focus on primary care. Such investments include upgrades to Electronic Health Record systems, hiring of Community Health Workers and Social Workers, training staff on population health efforts, and integration of behavioral health in primary care sites. In December 2017, ACOs submitted and Massachusetts completed the initial review of Performance Year 1 (January to December 2018) Budgets and Budget Narratives.

Community Partners (CPs)

MassHealth continues to work towards the launch and implementation of the Community Partners (CP) Program and the Community Services Agencies (CSA) DSRIP program, which are geared towards investing and supporting populations with high behavioral health (BH) and complex Long-Term Services and Supports (LTSS) needs in the Commonwealth.

MassHealth successfully contracted with all CP and CSA bidders selected through procurement processes. This includes one additional LTSS CP bidder that was selected following the reopening of the LTSS CP procurement for the Northern Region only. The number of contracted entities is:

- 18 BH CPs;
- 9 LTSS CPs; and
- 19 CSAs.

MassHealth completed reviews of CP and CSA Preliminary Participation Plans, Budgets, and Budget Narratives during this quarter, and in December 2017 disbursed funding for the Preparation Budget Period (December 2017 – May 2018). In addition, MassHealth provided guidance on completion of Full Participation Plans, Budgets and Budget narratives, including milestones and reporting necessary for continued receipt of infrastructure funding.

MassHealth teams continued to work closely with Operations teams to operationalize the CP program. MassHealth released guidance to CPs on qualifying activity reporting and payment.

MassHealth provided additional guidance to CPs, ACOs and MCOs regarding required agreements that must be executed between the entities prior to the start of the CP program. This includes the completion of documented processes in areas such as enrollee assignment and engagement, care management and care coordination, and data sharing and IT systems. MassHealth is supporting the development of these relationships through facilitated discussions at monthly joint meetings.

Following contracting with CPs and CSAs, MassHealth communicated preliminary information on readiness review. Discrete areas of readiness review are anticipated to include sections pertaining to contract compliance, ACO/MCO-CP collaboration, operational development, and DSRIP requirements. MassHealth will provide further information in Q3 and will be supporting entities in achieving readiness through close relationships with Account Managers, weekly communications, and monthly meetings with all contracted entities.

The Community Partners Program has executed contracts with 18 Behavioral Health

(BH) and 8 Long Term Services and Supports (LTSS) CPs. The State intends to execute contracts with 19 Community Service Agencies (CSAs) and one additional LTSS CP to receive DSRIP funding in Q3. The Community Partners Program approved Preliminary Participation Plans, Prep BP Budgets, and Prep BP Budget Narratives for the Preparation Budget Period (December 2017 to May 2018) and disbursed approximately \$11.6M in DSRIP funds. CPs are utilizing funds for a variety of different startup and ongoing tasks associated with conducting CP supports. Such proposed investments include hiring care coordinators and RNs, upgrades to Electronic Health Records and purchase of care management platforms and training staff on integrated care coordination efforts.

Flex Services

MassHealth submitted a revised Flexible Services Program (FSP) protocol to CMS in December 2017. The revised protocol defines a target population via needs-based criteria and risk factors, and proposes a list of allowable home- and community-based services that eligible members of MassHealth ACOs and CPs may receive. MassHealth is awaiting review and feedback from CMS on the protocol.

MassHealth procured a Social Services Integration Work Group (SSIWG) comprised of more than 30 external representatives of ACOs/MCOs, behavioral health and long term services and support agencies (and Community Partners), trade and industry groups, social service agencies, academia, and consumer and family/caregiver advocates. The SSIWG is charged with providing advice and input in the implementation of MassHealth's delivery system reform efforts specific to social services integration in healthcare delivery.

Delivery System Reform Incentive Payment (DSRIP)

On July 1, 2017, Massachusetts began its DSRIP program. DSRIP has four main streams:

- Accountable Care Organizations (ACOs) (discussed above)
- Community Partners (CPs) (discussed above)
- Statewide Investments (SWI) (described in this section)
- Operations and Implementation (described in this section)

Statewide Investments

Statewide Investments (SWI) is a portfolio of eight investment streams designed to build and strengthen healthcare workforce capacity and delivery system infrastructure across Massachusetts, with the goal of helping ACOs, CPs, and CSAs succeed in MassHealth payment reform.

During Q2, EOHHS entered into contract negotiations with Abt Associates to serve as the external partner to assist with standing up and managing the Technical Assistance

(TA) investment, which comprises the largest proportion of SWI funding (~\$43 million over five years). The SWI team also released a Request for Responses (RFR) to procure an external partner to assist with standing up and managing the Student Loan Repayment Program, the Primary Care Integration and Retention Grant Program, and the Investment in Residency Training in Community Settings, which together comprise ~\$25 million of SWI's five year funding. The Procurement Management Team (PMT) for this RFR reviewed bids, selected a bidder, and submitted a recommendation for Executive Sign Off (ESO). The SWI team expects to enter into contract negotiations with the selected bidder in early January 2018. EOHHS also finalized the design of program models for the Workforce Development Grant Program and the Alternative Payment Methods Preparation Fund and continued to make progress in the design of the Enhanced Diversionary Behavioral Activities investment. Lastly, EOHHS continued working under the Inter-Agency Service Agreement (ISA) with the University of Massachusetts Medical School (UMMS) to design a provider directory for MassHealth members that details the accessibility accommodations at MassHealth providers. The goal is to launch programs specific to the first six SWIs during the first quarter of calendar year 2018.

Operations and Implementation

The Operations and Implementation stream provides funding for staff and vendor contracts to assist the DSRIP program. EOHHS is currently funding most of these staff members through other sources (e.g., State Innovation Model) and intends to transition these staff to DSRIP support in Q4 of SFY 2018. In Q2, EOHHS secured contracts with an Independent Assessor and entered the final stages of selecting and contracting for the Ombudsman program.

On December 1, 2017, EOHHS contracted with Public Consulting Group (PCG) to serve as the DSRIP Independent Assessor. In Q2, PCG reviewed ACO PY1 Budgets and Budget Narratives for compliance with the Special Terms and Conditions, DSRIP Protocol, and EOHHS-issued guidance. In Q3 they will review revisions to those budgets and budget narratives as well as the full participation plans.

In Q2, Massachusetts Health Quality Partners (MHQP) continued preparations for fielding the adult and children's Primary Care surveys for the six pilot ACOs, which will also be used for the full scale ACOs. Preparations included finalization of the sampling methodology, Medical Groups and survey materials as well as hosting an informational webinar for the pilot ACOs. MassHealth provided the final sample frame in December. During the same timeframe, MHQP kicked off preparations for developing the CP Behavioral Health and Long-Term Services and Supports (LTSS) surveys to be administered in early 2019.

To provide advice and feedback on the implementation of delivery system reform, Massachusetts has procured a Delivery System Reform Implementation Advisory Council (DSRIC). DSRIC is made up of ACOs, CPs, providers, patient advocates, and other stakeholders that meet on a bi-monthly basis to discuss various payment reform

topics. In October, DSRIC met to review the goals of the Council, to align on the agenda topics for the remainder of CY17 and all of CY18, and to review a proposed set of waiver implementation monitoring metrics that MassHealth will share with the Council on a regular basis over the waiver period. In December, DSRIC met to discuss and provide feedback on the intersection of LTSS and payment reform initiatives, as well as the substance use disorder elements of the waiver demonstration.

Infrastructure and Capacity Building

Pursuant to the MassHealth 1115 Demonstration 11-W-00030/1, the Commonwealth distributed \$8.0M in Infrastructure and Capacity Building (ICB) grants for State Fiscal Year (SFY) 2017 in accordance with Special Term and Condition (STC) 54(c), STC 55(c), Charts A and B of Attachment E, and Expenditure Authority Section 19. The purpose of this program is to help providers establish integrated delivery systems that provide more effective and cost-efficient care to patients in need.

All nine of the awardees submitted final reports by December 31, 2017. EOHHS began reviewing the final reports to ensure that grantees had completed their projects and spent their funding appropriately.

In addition to administering the grants described above, EOHHS released an additional \$4.6 million out of a potential \$5 million (“ICB Round 2”) for SFY 2017. As of December 31, 2017, EOHHS had received a total of 77 final reports. EOHHS is working with grantees to finalize the final outstanding report. EOHHS continued reviewing the final reports to ensure that grantees had completed their projects and spent their funding appropriately.

Operational/Issues

During this quarter, MassHealth continued to work with the Massachusetts Health Connector and our systems integration vendor on fixing HIX defects to improve system stability and eliminate workaround processes.

MassHealth Operations also conducted training for internal staff, customer service vendor staff and external stakeholders to support the implementation of new MassHealth managed care options available in March 2018. Training for ACO implementation included overviews of the MassHealth health plan options, timeframes for implementation, system changes to support implementation, as well as tools to help support members through the transition.

Policy Developments/Issues

During the quarter, EOHHS and CMS continued discussions about the requests included in the amendment that EOHHS submitted to CMS on June 26, 2017. On December 14, 2017 CMS approved two amendment requests: eliminating provisional eligibility for certain adult members and shifting the authority for former foster care members from other states from the State Plan to the 1115 Demonstration.

During the quarter, EOHHS and CMS continued discussions about the requests included in the amendment that EOHHS submitted to CMS on September 8, 2017. This amendment requests flexibilities to ensure the sustainability of the MassHealth program while retaining access to care for vulnerable populations. The specific requests in the amendment would allow MassHealth to align coverage for certain non-disabled adults with commercial plans, to adopt widely-used commercial tools to obtain lower drug prices and enhanced rebates and to improve care, reduce costs and achieve administrative efficiencies through a variety of strategies.

During the quarter, EOHHS also continued conversations with the state legislature to request support for the items in the amendment that require legislation to implement. Certain items were included in the Governor’s FY2019 Budget which was released on January 24, 2018.

Financial/Budget Neutrality Development/Issues

The attached budget neutrality (BN) statement includes actual expenditures and member months through Quarter 2 of state fiscal year (SFY) 2018 as reported through the quarter ending December 31, 2017 (QE 12/31/17). SFY 2018 expenditures and member months are projected from SFY 2018 Quarters 1 and 2 actual data. These data are combined with the MassHealth budget forecast as of September 30, 2017 for SFY 2018-2019 and Commonwealth Care and Health Safety Net (HSN) information provided by the state agencies that manage those programs.

This BN demonstration includes actual expenditure figures, updated according to the most recent complete data available for SFY 2016, SFY 2017, and SFY 2018 Quarters 1 and 2. The enrollment data for the years SFY 2016, SFY2017, and SFY 2018 Quarters 1 and 2 were updated based on actual enrollment through February 2018.

Safety Net Care Pool (SNCP)

The five-year SNCP target is based on projected expenditures for SFY 2018-2022. The changes for SFY 2018 will continue to be updated as the fiscal year progresses.

Budget neutrality - summary

In sum, the total projected budget neutrality cushion is \$4.3 billion for the period SFY 2018 through SFY 2022 and \$28.3 billion for the period SFY 2012 through SFY 2022. We will continue to update CMS through quarterly reports as updated information is available.

Member Month Reporting

Enter the member months for each of the EGs for the quarter.

A. For Use in Budget Neutrality Calculations

| Expenditure and Eligibility Group (EG) Reporting | Month 1 | Month 2 | Month 3 | Total for Quarter Ending XX/XX |
|--|---------|---------|---------|--------------------------------|
|--|---------|---------|---------|--------------------------------|

| | | | | |
|----------------------------|---------|---------|---------|-----------|
| Base Families | 741,319 | 748,625 | 765,363 | 2,255,307 |
| Base Disabled | 236,962 | 236,677 | 237,411 | 711,050 |
| 1902(r)(2) Children | 18,736 | 16,871 | 17,437 | 53,044 |
| 1902(r)(2) Disabled | 18,995 | 18,782 | 18,688 | 56,465 |
| New Adult Group | 327,101 | 336,316 | 346,014 | 1,009,431 |
| BCCDP | 1,239 | 1,255 | 1,281 | 3,775 |
| CommonHealth | 27,380 | 27,481 | 27,700 | 82,561 |
| TANF/EAEDC* | 64,786 | 64,984 | 63,903 | 193,673 |

*TANF/EAEDC is a subcategory of Base Families

B. For Informational Purposes Only

| Expenditure and Eligibility Group (EG) Reporting | Month 1 | Month 2 | Month 3 | Total for Quarter Ending XX/XX |
|--|----------------|----------------|----------------|---------------------------------------|
| e-HIV/FA | 633 | 656 | 660 | 1,949 |
| <u>Small Business Employee Premium Assistance</u> | 24 | 22 | 22 | 68 |
| <u>DSHP- Health Connector Subsidies</u> | N/A | N/A | N/A | N/A |
| Base Fam XXI RO | 0 | 0 | 0 | 0 |
| 1902(r)(2) RO | 0 | 0 | 0 | 0 |
| CommonHealth XXI | 0 | 0 | 0 | 0 |
| Fam Assist XXI | 0 | 0 | 0 | 0 |

Quality Assurance/Monitoring Activity

Managed Care Quality Activities

Managed Care Program (under 65, non-disabled)

In Quarter 2 the MassHealth Managed Care (MCO) Program engaged in several quality activities. The MCO program continued to analyze the 2017 HEDIS data. Quality analysts calculated a number of items to be included in the 2017 MassHealth Managed Care HEDIS Report: MassHealth managed care weighted means, confidence intervals, and statistical significance. The 2017 Managed Care report, which summarizes individual MCO and overall MassHealth performance, will likely be completed during Q3. Additionally this quarter, the MCO program calculated the results of several measures in the Adult and Child Core Sets. Rates were completed in mid-December and sent to MassHealth executive leadership for review prior to the reporting in the MACPro system. All results were reported and certified prior to the January 30 deadline.

During this quarter, scoring was completed for MCO quality improvement projects (QIPs). All MCOs reported on the QIP topic, “Initiative to improve care coordination using a culturally

appropriate strategy that takes into consideration the race, ethnicity, and language diversity of members.” Each MCO received a report summarizing their QIP scores and highlighting the project strengths and opportunities for improvement. Performance varied significantly across plans. A strength common among several plans was that they provided a thorough description of the project and its development over the QI Goals cycle. Three plans included detailed member analyses that helped inform the development of interventions. In terms of opportunities for improvement, several plans were advised to develop higher-impact interventions that tie more directly to the barriers identified through their barrier analyses. The other two QIPs MCOs submitted for the 2017 QI Goals cycle were reviewed exclusively by the External Quality Review Organization (EQRO) vendor.

Finally, EQR activities continued during this quarter. Most of the work was conducted by the EQR vendor and focused primarily on the development of the technical reports. Technical reports are anticipated to be finalized during Q3.

External Quality Review Activities

During this quarter, the EQRO completed the final reviews and scoring for all EQR activities, including performance improvement projects, performance measure validation and compliance audits. Managed care entities (MCEs) received final results this year ahead of technical reports, as results were distributed following the completion of score sheets for all activities. First drafts of all technical reports were completed, as well as the drafting of new Performance Improvement Project (PIP) forms for the upcoming 2018 EQR cycle. Reports will be finalized in Q3 and submitted to CMS.

Primary Care Payment Reform (PCPR)

Primary Care Payment Reform (PCPR) performance improvement activities for this reporting quarter continued to be pending due to the necessary claims run out time for CY 2016 data. The next phase of improvement activities will produce data aggregation and calculations to determine P4Q for YR 3 (2016) of the Program. The YR 3 Quality incentive plan is a combination of 10 clinical measures, 6 claims based measures and 4 patient/family experience measures. Performance in the combined measures are calculated for each practice and then further combined to determine organizational performance and, finally, at the risk pool level. Performance at the risk pool levels modifies the amount of incentive payment each organization receives for YR 3. The calculations and reports for YR 3 2016 performance scores are anticipated to be completed by March 2018. The reports will be distributed to the practices in April 2018.

MassHealth Quality Committee

In Quarter 2, the MassHealth Quality Committee continued to meet monthly with representation from various MassHealth programs (e.g., MCO, PCC, ACO, Hospital Incentive and P4P Programs). During this quarter, the Committee primarily focused its efforts on defining and aligning performance measurement across the MassHealth organization. The alignment process included reviewing the current measurement slates for each program and identifying

measurement overlap while considering key MassHealth focus areas. The performance measures will help to inform the MassHealth Quality Strategy. It is anticipated that a draft of the updated quality strategy will be completed during Q3.

MassHealth ACO/CP Quality Strategy (formerly MassHealth ACO Quality Strategy Workgroup and Sub-Groups and ACO External Quality Workgroup)

In Quarter 2, MassHealth completed review of all final specifications of quality measures for the ACO program with CMS. MassHealth and CMS continue to meet regularly to finalize outstanding issues with the technical specifications. MassHealth has continued regular discussions with external and internal quality stakeholders, including the procured DSRIP Quality Subcommittee (DSRIP QSC) on issues related to quality measure priorities, risk-adjustment, and technical specifications. In Quarter 2, MassHealth reviewed the revised CP quality measure slate with the DSRIP QSC, and continues to work towards finalization of the measures. MassHealth continues actively participating in the DSRIP Quality Measurement Alignment Taskforce, alongside representatives from commercial health insurers, consumers, providers, and purchasers. The DSRIP Quality Measurement Alignment Taskforce aims towards harmonizing quality measures used in ACO quality contracts across the Commonwealth. This venue has afforded MassHealth valuable opportunities to discuss ACO quality measures with key stakeholders and strive towards attaining alignment and administrative simplification.

CMS Grant Activities

Contraceptive Use Grant

During this quarter, the grant team received an updated data set on services delivered by Title X funded providers, and began development of provider-level reports for 15 of these providers. The goal of these reports is to allow providers to identify variations in contraceptive use rates among Title X funded providers, as a way to support identification of areas for improvement.

Additionally during this quarter, after reviewing previously-shared data, one large Title X provider requested additional site level data files: the requesting provider delivers Title services at multiple site locations. The MassHealth Team produced and shared the site level reports with the Title X provider.

The grant team also began working with MassHealth administrative data to calculate the Contraceptive Care measures (Contraceptive Care for Women Ages 15-44 and Contraceptive Care Postpartum) for submission to CMS as part of MIHI and Child and Adult Core Measures set reporting. This submission will happen in the next Quarter.

The group has also begun to work on the development of a provider report template for the purpose of sharing data with a set of MassHealth enrolled providers. As above, the goal of these reports is to allow providers to identify variations in contraceptive use rates among MassHealth enrolled providers, as a way to support identification of areas for improvement. The team is also working to define an approach for providing technical assistance to MassHealth enrolled providers.

Demonstration Evaluation

For the DSRIP portion of the evaluation, University of Massachusetts Medical School (UMMS) continues to develop its design proposal for the interim DSRIP evaluation due to CMS by June 30, 2018. In Q2, UMMS identified data flows necessary to support the evaluation and began developing a logic model framework to base the evaluation on.

MassHealth received feedback on its draft overall evaluation design for the 1115 Extension in January 2018 and is working to address CMS' comments, as well as to incorporate the DSRIP evaluation into the overall evaluation and to align deliverable deadlines. We will provide a more detailed update in the Q3 report.

Enclosures/Attachments

In addition to this narrative report, we are submitting:

- Budget Neutrality Workbook

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