

MASSACHUSETTS
SECTION 1115 DEMONSTRATION
FACT SHEET

Program Name: MassHealth Medicaid Section 1115 Demonstration

Initial Application

Date Proposal Submitted: April 15, 1994
Date Proposal Approved: April 24, 1995
Date of Implementation: July 1, 1997

First Renewal

Date Proposal Submitted: June 28, 2001
Date Approved: December 21, 2001

Second Renewal

Date Proposal Submitted: June 30, 2004
Date Approved: January 26, 2005

Third Renewal

Date Proposal Submitted: June 29, 2007 and December 24, 2007
Date Approved: December 19, 2008
Expiration Date: June 30, 2011

Fourth Renewal

Date Proposal Submitted: June 30, 2010
Date Approved: December 21, 2011
Expiration Date: June 30, 2014

SUMMARY

The MassHealth Demonstration is a statewide health reform effort encompassing multiple delivery systems, eligibility pathways, program types and benefit levels. The Demonstration was initially implemented in July 1997, and has been built on over time through amendments and renewals. The Demonstration expands Medicaid income eligibility for certain categorically eligible populations including pregnant women, parents or adult caretakers, infants, children and disabled individuals. Eligibility is also expanded to certain non-categorically eligible populations, including certain unemployed adults and non-disabled persons with Human Immunodeficiency Virus (HIV). The Demonstration also provides premium subsidies to both qualifying small employers and their low-income employees for the purchase of private health insurance. Additionally, the Demonstration created a Safety Net Care Pool (SNCP) which funds the Commonwealth Care (CommCare) program that provides sliding scale premium subsidies for the purchase of private health plan coverage for uninsured persons and has an overall purpose of reducing the rate of uninsurance in the Commonwealth by providing residual funding to providers for uncompensated care, and care for Medicaid, CommCare, and low-income

Date Last Updated: December 14, 2011

uninsured individuals. In addition, the SNCP provides infrastructure support, promotes health system improvement and payment transformations, and access to certain state health programs for vulnerable populations.

AMENDMENTS

Amendment #10: An amendment was approved to authorize expenditure authority for a maximum of \$125.5 million for State fiscal year (SFY) 2012 for Cambridge Health Alliance through the Safety Net Care Pool for uncompensated care costs. This funding will be counted toward the budget neutrality limit approved for SFY 2012 within the renewal award.

Date Amendment #10 Submitted: July 27, 2011
Date Amendment #10 Approved: August 17, 2011

Amendment #9: An amendment was approved to: (1) increase authorization for Designated State Health Programs for State Fiscal Year 2011 to \$385 million; (2) count Commonwealth Care adults without dependent children with income up to and including 133 percent of the Federal Poverty Level (FPL) who receive premium assistance for commercial health insurance products as a hypothetical population for purposes of budget neutrality; and (3) allow the following populations to be enrolled into managed care: (a) participants in a Home and Community-Based Services Waiver; (b) Katie Beckett/ Kaileigh Mulligan children; and (c) children receiving title IV-E adoption assistance.

Date Amendment #9 Submitted: March 1, 2010
Date Amendment #9 Approved: January 19, 2011

Amendment #8: An amendment was approved to allow Massachusetts to (1) increase the MassHealth pharmacy co-payment from \$2 to \$3 for generic prescription drugs; (2) provide relief payments to Cambridge Health Alliance totaling approximately \$216 million; and (3) provide relief payments to private acute hospitals in the Commonwealth totaling approximately \$270 million.

Date Amendment #8 Submitted: March 1, 2010
Date Amendment #8 Approved: September 30, 2010

See the Additional Amendment Section below for more information on amendments.

ELIGIBILITY

MassHealth has multiple eligibility groups:

MassHealth Standard: Children under age 1 and pregnant women with incomes at or below 200 percent of the FPL; children ages 1 through 18 with incomes at or below 150 percent of the FPL; parents with children under age 19 with incomes at or below 133 percent of the FPL; and disabled adults ages 19 through 64 with incomes at or below 133 percent of the FPL. Certain

women diagnosed with breast or cervical cancer whose gross family income is at or below 250 percent of the FPL are also covered.

MassHealth CommonHealth: Disabled children through age 18 with incomes over 150 percent FPL; working disabled adults, no income limit; and non-working disabled adults with incomes over 133 percent of the FPL.

MassHealth Basic: Adults who receive Commonwealth-funded cash assistance through the Emergency Assistance to the Elderly, Disabled, and Children (EAEDC) program, or are unemployed clients of the Department of Mental Health whose income is at or below 100 percent FPL.

MassHealth Essential: Adults who are long-term unemployed with incomes at or below 100 percent of the FPL and who are not eligible for MassHealth Basic.

MassHealth Family Assistance/Premium Assistance: Children, ages 1 through 18, with incomes between 150 and 200 percent of the FPL who have or have access to employer sponsored health insurance. Adults, ages 19 through 64, with incomes at or below 200 percent of the FPL who have or have access to employer sponsored health insurance. For these individuals, the Commonwealth pays the employee's share of the employer-sponsored insurance premium minus a small employee contribution. Also covered are individuals who are living with HIV who are under the age of 65, are not institutionalized, and have income that is less than or equal to 200 percent of the FPL.

MassHealth Family Assistance/Direct Purchase of benefits: Children ages 1 through 18 with incomes between 150 and 200 percent of the FPL who may or may not have access to employer sponsored health insurance. For these children, the Commonwealth provides the MassHealth Standard benefit.

MassHealth Limited: Emergency services to undocumented aliens who would otherwise be eligible for MassHealth Standard, but for their immigration status.

MassHealth Prenatal: Time-limited prenatal services to pregnant women who self-declare gross family income that is at or below 200 percent of the FPL.

DELIVERY SYSTEM

MassHealth members can choose from four managed care organizations (MCOs) or the Primary Clinician Care Plan, which is a Primary Care Case Management (PCCM) plan operated by the Commonwealth. Federally Qualified Health Centers and community health centers are participating providers in all of the MCOs and the PCCM plan.

BENEFITS

MassHealth beneficiaries generally receive all services that are currently covered under the

Massachusetts Medicaid program. While covered benefits vary slightly across MassHealth components, benefit coverage is comprehensive.

QUALITY AND EVALUATION PLAN

As required under applicable Federal laws and regulations, quality of care furnished under MassHealth is subject to internal and external review. The Commonwealth also ensures the effectiveness and quality of care by monitoring access, utilization practices, and client information, as well as through established service standards in contracts with MCOs.

The Commonwealth's evaluation plan focuses on objectives such as:

- Maintain near-universal health care coverage for all citizens of the Commonwealth and reduce barriers to coverage;
- Continue the redirection of spending from uncompensated care to insurance coverage;
- Implement Delivery System reforms that promote care coordination, person-centered care planning, wellness, chronic disease management, successful care transitions, integration of services, and measurable health outcome improvements; and
- Advance payment reforms that will give incentives to providers to focus on quality, rather than volume, by introducing and supporting alternative payment structures that create and share savings throughout the system while holding providers accountable for quality care.

Specific indicators to be evaluated include:

- The number of uninsured in the Commonwealth;
- The number of demonstration eligibles accessing ESI;
- Growth in the Commonwealth Care Program;
- Decrease in uncompensated care and supplemental payments to hospitals;
- The number of individuals accessing the Health Safety Net Trust Fund;
- The impact of DSTI payments to participating providers on the Commonwealth's goals and objectives;
- The benefits, savings, and design viability of the Pediatric Asthma Pilot Program;
- The benefits, cost and savings of providing early intervention services for Demonstration eligible children with autism;
- The impact of utilization of Express Lane Eligibility procedures for parents and caretakers; and
- Availability of access to primary care providers

COST-SHARING

Cost-sharing requirements vary across the MassHealth components and the Commonwealth Care programs. However, in general, no copayments are charged for any benefits rendered to children under 19 or pregnant women. Additionally, no premiums are charged for any individual enrolled in the Demonstration whose gross income is less than 150 percent of the FPL. For individuals who would be eligible for title XIX absent the Demonstration the requirements for premiums and copayments are nominal. Where cost-sharing is required, it is on a sliding-scale based on income.

AMENDMENTS

Amendment #7: An amendment was approved to allow Massachusetts to add independent foster care adolescents as a base Demonstration population and to authorize expenditures for behavioral health services for this population.

Date Amendment #7 Submitted: December 29, 2006
Date Amendment #7 Approved: June 19, 2007
Date of Technical Corrections Letter: October 19, 2007

Amendment #6: An amendment was approved to allow the Massachusetts to add non-emergency medical transportation (NEMT) benefits for expansion populations.

Date Amendment #6 Submitted: November 30, 2006
Date Amendment #6 Approved: June 19, 2007

Amendment #5: An amendment was approved to allow Massachusetts to (1) increase its enrollment caps for beneficiaries with HIV receiving coverage under the Family Assistance program and for long-term chronically unemployed beneficiaries receiving services under the Essential program; (2) implement program modifications enacted by the Health Care Reform Act to the current IP program; and (3) expend funds from the SNCP based on approved payment methodologies.

Date Amendment #5 Submitted: May 1, 2006
Date Amendment # 5 Approved: July 26, 2006

Amendment #4: Massachusetts submitted an amendment request to allow the Commonwealth to modify the standards utilized in its disability determination process in determining eligibility for the MassHealth Program to ensure that only adults who are truly incapable of substantial gainful activity are found “disabled.” CMS disapproved this amendment request.

Date Amendment #4 Submitted: August 29, 2003
Date Amendment #4 Approved: Disapproved

Amendment #3: An amendment was approved to allow Massachusetts to impose an enrollment cap on non-State plan Demonstration eligibles.

Date Amendment #3 Submitted: June 5, 2003
Date Amendment #3 Approved: January 29, 2004

Amendment #2: Massachusetts submitted an amendment request to allow the Commonwealth to cover prescription drug expenditures for low- income elderly and disabled individuals not otherwise eligible for MassHealth. Massachusetts withdrew this amendment request on August 29, 2003.

Date Amendment #2 Submitted: March 14, 2003
Date Amendment #2 Withdrawn: August 29, 2003

Amendment #1: An amendment was approved to allow Massachusetts to provide coverage for certain uninsured women with breast and cervical cancer.

Date Amendment #1 Submitted: July 16, 2002
Date Amendment #1 Approved: December 4, 2002