

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

November 1, 2021

Amanda Cassel Kraft
Acting Assistant Secretary, MassHealth
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor Room 1109
Boston, MA 02108

Dear Ms. Cassel Kraft:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has accepted the “Attachment E” of Massachusetts’ section 1115(a) Medicaid demonstration, entitled “MassHealth” (Project Number 11-W-00030/1). A copy of the attachment is included with this letter, will be incorporated by reference into the MassHealth Special Terms and Conditions, and supersedes previous versions of Attachment E.

We look forward to our continued partnership on the MassHealth section 1115(a) demonstration. If you have any questions, please contact your CMS project officer, Ms. Rabia Khan, at (410) 786-6276 or Rabia.Khan1@cms.hhs.gov.

Sincerely,

Angela D. Garner -S
Digitally signed by
Angela D. Garner -S
Date: 2021.11.01
14:00:12 -04'00'

Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc: Marie DiMartino, State Monitoring Lead, Medicaid and CHIP Operations Group

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart A: Approved SNCP Payments for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded in millions).

#	Payment Type	Applicable Caps	State law or regulation	Eligible Providers	Total SNCP Payments per SFY					Total SFY 2018-2022	Applicable footnotes
					SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022		
<i>System Transformation Incentive Based Pools</i>											
1	Delivery System Reform Incentive Payments (DSRIP)	n/a		Participating ACOs, CPs and other uses as specified in STC57-71	\$425.0	\$425.0	\$400.0	\$325.0	\$225.0	\$1,800.0	(1)
2	Public Hospital Transformation and Incentive Initiatives (PHTII)	n/a		Cambridge Health Alliance	\$309.0	\$243.0	\$120.0	\$100.0	\$100.0	\$872.0	
<i>System Transformation Incentive Based Pools Subtotal</i>					<i>\$734.0</i>	<i>\$668.0</i>	<i>\$520.0</i>	<i>\$425.0</i>	<i>\$325.0</i>	<i>\$2,672.0</i>	
<i>Disproportionate Share Hospital (DSH) Pool</i>											
3	Public Service Hospital Safety Net Care Payment	DSH		Boston Medical Center	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$100.0	(2)
4	Health Safety Net Trust Fund Safety Net Care Payment	DSH	101CMR 613.00, 614.00	All acute hospitals and CHCs	\$287.0	\$287.0	\$288.0	\$288.0	\$290.0	\$1,440.0	(3)
5	Institutions for Mental Disease (IMD)	DSH	130 CMR 425.408, 101CMR 346.004	Psychiatric inpatient hospitals Community-based detoxification centers	\$32.0	\$32.0	\$32.0	\$32.0	\$32.0	\$160.0	(4)

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart A: Approved SNCP Payments for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 50 and 51 (projected and rounded in millions).

6	Special Population State-Owned Non-Acute Hospitals Operated by the Department of Public Health	DSH		Shattuck Hospital Tewksbury Hospital Massachusetts Hospital School Western Massachusetts Hospital	\$51.0	\$52.0	\$37.0	\$52.0	\$52.0	\$244.0	(5)
7	State-Owned Non-Acute Hospitals Operated by the Department of Mental Health	DSH		Cape Cod and Islands Mental Health Center Corrigan Mental Health Center Quincy Mental Health Center SC Fuller Mental Health Center Taunton State Hospital Worcester Recovery Center and Hospital	\$105.0	\$107.0	\$32.0	\$107.0	\$107.0	\$458.0	(5)
8	Safety Net Provider Payments	DSH		Eligible hospitals outlined in Attachment N	\$180.0	\$177.0	\$266.0	\$176.0	\$174.0	\$973.0	(8)
	<i>Disproportionate Share Hospital (DSH) Pool Subtotal:</i>				<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$3,375.0</i>	
	<i>Uncompensated Care (UCC) Pool</i>										

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart A: Approved SNCP Payments for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded in millions).

9	Health Safety Net Trust Fund Safety Net Care Payment	UCC	101CMR 613.00, 614.00	All acute hospitals and CHCs	\$0.0	\$10.0	\$10.0	\$10.0	\$10.0	\$40.0	(3)
10	Special Population State-Owned Non-Acute Hospitals Operated by the Department of Public Health	UCC		Shattuck Hospital Tewksbury Hospital Massachusetts Hospital School Western Massachusetts Hospital	\$65.0	\$15.0	\$15.0	\$15.0	\$15.0	\$125.0	(5)
11	State-Owned Non-Acute Hospitals Operated by the Department of Mental Health	UCC		Cape Cod and Islands Mental Health Center Corrigan Mental Health Center Quincy Mental Health Center SC Fuller Mental Health Center Taunton State Hospital Worcester Recovery Center and Hospital	\$147.0	\$75.0	\$75.0	\$75.0	\$75.0	\$447.0	(5)
Uncompensated Care (UCC) Pool Subtotal:					\$212.0	\$100.0	\$100.0	\$100.0	\$100.0	\$612.0	
ConnectorCare Subsidies											

**ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS**

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart A: Approved SNCP Payments for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 50 and 51 (projected and rounded in millions).

12	DSHP – Health Connector Subsidies	n/a	n/a	\$250.0	\$250.0	\$250.0	\$250.0	\$250.0	\$1,250.0	(6)
	<i>DSHP – Health Connector Subtotal</i>			<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$1,250.0</i>	
	Total			\$1,871.0	\$1,693.0	\$1,525.0	\$1,450.0	\$1,350.0	\$7,909.0	

*Under section 1902(a)(13)(A)(iv) of the Social Security Act, states are required to make payments that take into account the situation of disproportionate share hospital (DSH) providers. As part of this Demonstration project, CMS has waived the requirements of section 1902(a)(13) and has provided in the STCs that Massachusetts will not make such DSH payments but instead will make provider support payments under the SNCP.

The following notes are incorporated by reference into Chart A

- (1) The Delivery System Reform Incentive Payments will be distributed to participating ACOs, CPs and for other approved uses pursuant to STC 57 through STC 71 and the DSRIP Protocol.
- (2) The provider-specific Public Service Hospital Safety Net Care payments are approved by CMS. Annual payments are for dates of service beginning July 1 and ending June 30 for each fiscal year. The Commonwealth may decrease these payment amounts based on available funding without a demonstration amendment; any increase will require a demonstration amendment.
- (3) Health Safety Net Trust Fund (HSNTF) Safety Net Care Payments are made based on adjudicated claims, and approved by CMS on an aggregate basis. Annual payments are for dates of service beginning July 1 and ending June 30 for each fiscal year. Consequently, actual total and provider- specific payment amounts may vary depending on volume, service mix, rates, and available funding. Only payments for care provided to eligible uninsured patients may be claimed in line 9, under the UC Pool. Expenditures for dental services that wrap to the MassHealth State plan benefit through the HSNTF are inclusive of amounts included in capitation payments to One Care plans for One Care enrollees for dental services beyond those available in the MassHealth State plan.
- (4) IMD claiming is based on adjudicated claims, and approved by CMS on an aggregate basis. Consequently, actual total and provider-specific payment amounts may vary depending on volume, service mix, rates, and available funding. Three payment types make up the IMD category: inpatient services at psychiatric inpatient hospitals, administrative days, and inpatient services at community-based

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

detoxification centers.

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart A: Approved SNCP Payments for the period from July 1, 2017 through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded in millions).

- (5) Expenditures for DPH and DMH hospitals in Chart A are based on unreimbursed Medicaid and uninsured costs, and are approved by CMS on an aggregate basis. Annual payments are for dates of service beginning July 1 and ending June 30 for each fiscal year. Consequently, the total and provider-specific amounts expended may vary depending on volume, service mix, and cost growth. Only uninsured costs may be claimed in lines 10-11 under the UC Pool.
- (6) Expenditures for DSHP - Health Connector Premium and Cost Sharing Subsidies are approved based on actual enrollment and premium assistance and cost sharing subsidy costs, and HSN Health Connector gap coverage subsidies are approved based on actual enrollment and gap coverage costs. Consequently, the amount of total expenditures may vary. Health Connector Subsidies are not subject to the aggregate SNCP cap or any sub-cap.
- (7) Expenditures for State-Owned Non-Acute Hospitals Operated by the Department of Mental Health are inclusive of amounts included in capitation payments to One Care enrollees ages 21 and over for payments to the facilities listed in item #5.
- (8) The \$90 million in Safety Net Provider Payments (SNPPs) distributed during the COVID-19 emergency (SFY20) will not be subject to the accountability requirements otherwise required for SNPPs as described in STC 54. The \$90 million is to ensure the sustainability of these safety net hospitals who are providing necessary services during the public health emergency.

**ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS**

CHART B

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded).

#	Payment Type	Applicable Caps	State law or regulation	Eligible Providers	Total SNCP Payments per SFY					Total SFY 2018-2022	Source of non-federal share
					SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022		
<i>System Transformation Incentive Based Pools</i>											
1	Delivery System Reform Incentive Payments (DSRIP)	n/a		Participating ACOs, CPs and other uses as specified in STC 57 and STC 60.	\$425.0	\$425.0	\$400.0	\$325.0	\$225.0	\$1,800.0	General Fund, including provider assessment funding in the DSRIP Trust Fund
2	Public Hospital Transformation and Incentive Initiatives (PHTII)	n/a		Cambridge Health Alliance	\$309.0	\$243.0	\$120.0	\$100.0	\$100.0	\$872.0	Inter-Governmental Transfer
<i>System Transformation Incentive Based Pools Subtotal</i>					\$734.0	\$668.0	\$520.0	\$425.0	\$325.0	\$2,672.0	
<i>Disproportionate Share Hospital (DSH) Pool</i>											

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded).

3	Public Service Hospital Safety Net Care Payment	DSH		Boston Medical Center	\$20.0	\$20.0	\$20.0	\$20.0	\$20.0	\$100.0	General Fund
4	Health Safety Net Trust Fund Safety Net Care Payment	DSH	101CMR 613.00, 614.00	All acute hospitals and CHCs	\$287.0	\$287.0	\$288.0	\$288.0	\$290.0	\$1,440.0	General Fund, including provider assessment funding in the Health Safety Net Trust Fund
5	Institutions for Mental Disease (IMD)	DSH	130 CMR 425.408, 101CMR 346.004	Psychiatric inpatient hospitals Community-based detoxification centers	\$32.0	\$32.0	\$32.0	\$32.0	\$32.0	\$160.0	Certified Public Expenditure and General Fund
6	Special Population State-Owned Non-Acute Hospitals	DSH		Shattuck Hospital Tewksbury Hospital Massachusetts	\$51.0	\$52.0	\$37.0	\$52.0	\$52.0	\$244.0	Certified Public Expenditure

**ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS**

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded)

	Operated by the Department of Public Health			Hospital School Western Massachusetts Hospital							
7	State-Owned Non-Acute Hospitals Operated by the Department of Mental Health	DSH		Cape Cod and Islands Mental Health Center Corrigan Mental Health Center Quincy Mental Health Center SC Fuller Mental Health Center Taunton State Hospital	\$105.0	\$107.0	\$32.0	\$107.0	\$107.0	\$458.0	Certified Public Expenditure

**ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS**

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded)

				Worcester Recovery Center and							
8	Safety Net Provider Payments	DSH		Eligible hospitals outlined in Attachment N	\$180.0	\$177.0	\$266.0	\$176.0	\$174.0	\$973.0	General Fund
<i>Disproportionate Share Hospital (DSH) Pool Subtotal:</i>					<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$675.0</i>	<i>\$3,375.0</i>	
<i>Uncompensated Care (UCC) Pool</i>											
9	Health Safety Net Trust Fund Safety Net Care Payment	UCC	101CMR 613.00, 614.00	All acute hospitals and CHCs	\$0.0	\$10.0	\$10.0	\$10.0	\$10.0	\$40.0	General Fund, including provider assessment funding transferred to the HSN Trust Fund
10	Special Population State-Owned Non-Acute Hospitals Operated by the Department	UCC		Shattuck Hospital Tewksbury Hospital Massachusetts Hospital School Western	\$65.0	\$15.0	\$15.0	\$15.0	\$15.0	\$125.0	Certified Public Expenditure

**ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS**

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and rounded)

	of Public Health			Massachusetts Hospital							
11	State-Owned Non-Acute Hospitals Operated by the Department of Mental Health	UCC		Cape Cod and Islands Mental Health Center Corrigan Mental Health Center Quincy Mental Health Center SC Fuller Mental Health Center Taunton State Hospital Worcester Recovery Center and	\$147.0	\$75.0	\$75.0	\$75.0	\$75.0	\$447.0	Certified Public Expenditure

ATTACHMENT E
SAFETY NET CARE POOL PAYMENTS

Safety Net Care Pool. The following charts reflect approved payments under Safety Net Care Pool (SNCP) for the date of the approval letter through June 30, 2017, unless otherwise specified in STCs 52 and 53, consistent with and pursuant to section VIII of the STCs, and subject to the overall budget neutrality limit and the Safety Net Care Pool (SNCP) limits described in section VIII of the STCs. This chart shall be updated pursuant to the process described in STC 74.

Chart B: Sources of Funding for Approved SNCP payments for the period from the date of the approval letter through June 30, 2022, unless otherwise specified in STCs 52 and 53 (projected and round

	<i>Uncompensated Care (UCC) Pool Subtotal</i>				<i>\$212.0</i>	<i>\$100.0</i>	<i>\$100.0</i>	<i>\$100.0</i>	<i>\$100.0</i>	<i>\$612.0</i>	
	<i>ConnectorCare Subsidies</i>										
12	DSHP – Health Connect or Premium and Cost Sharing	n/a		n/a	\$250.0	\$250.0	\$250.0	\$250.0	\$250.0	\$1,250.0	Certified Public Expenditure and General Fund, including provider assessment funding in the Health Safety Net Trust Fund
	<i>DSHP – Health Connector Subtotal</i>				<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$250.0</i>	<i>\$1250.0</i>	
	Total				\$1,871.0	\$1,693.0	\$1,525.0	\$1,450.0	\$1,350.0	\$7,909.0	
*Under section 1902(a)(13)(A)(iv) of the Social Security Act, states are required to make payments that take into account the situation of disproportionate share hospital (DSH) providers. As part of this Demonstration project, CMS has waived the requirements of section 1902(a)(13) and has provided in the STCs that Massachusetts will not make such DSH payments but instead will make provider support payments under the SNCP.											

**ATTACHMENT E
SAFETY NET CARE POOL
PAYMENTS**

Designated State Health Programs (DSHP). The following programs are authorized for claiming as DSHP, subject to the overall budget neutrality limit. No demonstration amendment is required for CMS approval of updates to Chart C of Attachment E to include additional DSHP programs. This chart shall be updated pursuant to the process described in STC 74.

Chart C: Approved Designated State Health Programs (DSHP)

These DSHPs are not subject to the overall SNCP cap.

Agency	Program Name
Health Connector	Health Connector Premium Assistance and Cost Sharing Subsidies, and HSN- Health Connector Gap Coverage Subsidies