

MassHealth

Section 1115 Quarterly & Annual Report

Demonstration Year: 22 (7/1/2018 – 6/30/2019)

Quarter 3: (1/1/19-3/31/19)

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 Demonstration also addresses the epidemic of opioid drug use in Massachusetts. The Demonstration extension seeks to advance seven 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.
- Goal 7: Ensure the long-term financial sustainability of the MassHealth program through refinement of provisional eligibility and authorization for SHIP Premium Assistance

In accordance with the Special Terms and Conditions (STCs) of the Demonstration and specifically STC's 82-84, the Massachusetts Executive Office of Health and Human Services (EOHHS) hereby submits its quarter three report for Demonstration Year 22, ending March 31, 2019.

Enrollment Information

The enrollment activity below reflects enrollment counts for SFY 2019 Quarter 3, as of March 31, 2019.

Eligibility Group	Current Enrollees (to date)
Base Families	756,861
Base Disabled	226,207
1902(r)(2) Children	15,833
1902(r)(2) Disabled	16,523
Base Childless Adults (19-20)	25,373
Base Childless Adults (ABP1)	30,590
Base Childless Adults (CarePlus)	251,278
BCCTP	1,124

Eligibility Group	Current Enrollees (to date)
CommonHealth	30,989
e-Family Assistance	7,596
e-HIV/FA	737
SBE	13
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	1,363,124

*TANF/EAEDC is a subcategory of Base Families

Enrollment in Managed Care Organizations and Primary Care Clinician Plan

The enrollment activity below reflects the average monthly enrollment counts for the Quarters ending December 31, 2018 and March 31, 2019.

Plan Type	QE 12/18	QE 03/19	Difference
MCO	240,387	211,927	-28,460
PCC	117,829	105,238	-12,591
MBHP*	532,185	515,192	-16,993
FFS/PA**	548,249	549,575	1,326
ACO	870,191	879,060	8,869

*MBHP enrollment does not represent members unique to the plan, as there is overlap with PCC and ACO Model B enrollment.

**PA included in FFS and MBHP enrollment counts

Enrollment in Premium Assistance and Small Business Employee Premium Assistance

During this reporting quarter, MassHealth provided premium assistance for 45,091 health insurance policies (including Student Health Insurance Plan policies), resulting in premium assistance to 56,969 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 and the enrollment numbers decreased slightly since the last reporting period. During the quarter, we had an average monthly enrollment of 3 members in the SBEPA program. The gradual drop in enrollments over time 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.

MassHealth implemented a new premium assistance project 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. MassHealth eligible college students were previously able to waive out of electing SHIP but on November 4, 2016, MassHealth received approval through the 1115 demonstration to require that any full-time student enrolled on MassHealth must enroll in the SHIP plan, if available. As of March 2019, at the end of the second semester, 32,791 students were enrolled in the program.

Premium Assistance Program: Employer Sponsored Insurance	Disabled Members	Non-Disabled Members	Total MassHealth Enrolled Members
<i>Standard</i>	1,810	9,438	11,248
<i>CommonHealth</i>	3,566	0	3,566
<i>Family Assistance</i>	17	8,619	8,636
<i>CarePlus</i>	0	452	452
<i>Small Business Employee Premium Assistance (SBEPA)</i>	0	3	3
Total for Q3	5,393	18,512	23,905

SHIP Premium Assistance Program (SHIP PA)	Disabled Members	Non-Disabled Members	Total MassHealth Enrolled Members
<i>Standard</i>	1,459	20, 269	21,728
<i>CommonHealth</i>	70	0	70
<i>Family Assistance</i>	9	2,416	2,425
<i>CarePlus</i>	0	8,568	8,568
Total for Q3	1,538	31,253	32,791

Outreach/Innovative Activities

Certified Application Counselor Training and Communication

MassHealth continues its extensive training and communication efforts to continually educate and inform the over 1,300 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 mandatory online trainings covering updates and MassHealth initiatives, Assister emails, conference calls, webinars, meetings, and other outreach activities. All CACs must also 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.

CAC outreach and educational activities this quarter were focused on ensuring our over 1,300 CACs continued to be well informed about new and ongoing activities across both MassHealth and the Health Connector. This was accomplished through over 19 “Assister Update” newsletters (emails), 8 Assister conference calls, and 4 in-person educational Massachusetts Health Care Training Forum (MTF) sessions across the Commonwealth.

We started the quarter with the completion of federally mandated, annual recertification for all currently active CACs. Through a series of reminder emails and working closely with Lead CACs at each organization, over 93% of CACs recertified within the recertification period (the 7% remaining were attributed to attrition or no longer performing CAC duties) avoiding any gap in their certification. Annual CAC recertification gives CACs the opportunity to review course materials to refresh their knowledge about policy, eligibility, and health plans, and reinforces important information around key topics such as immigration and privacy and security when working with applicant and member personal health information. CACs must keep up with mandatory trainings throughout the year, and then successfully complete a comprehensive assessment to achieve recertification.

Also during the quarter multiple learning opportunities—conference calls/webinars, “Assister Update” emails, and mandatory training—were developed and implemented that provided CACs with a comprehensive review of the MassHealth Disability determination process and also let them know about a change in the application process for disabled applicants age 65 or older. Participation in these activities was well above average and generated positive feedback from the Assister community.

Additional educational activities (conference calls, emails) provided CACs with updates around MassHealth health plan changes for 2019, a reminder about MassHealth ACO/MCO Annual Plan Selection and Fixed Enrollment Periods, the year-end tax filing process, forms members receive, and where members can get help.

CACs were kept informed through the “Assister Update” newsletters about other key topics including:

- Updates to the SACA-2 and ACA-3 applications (March)
- Where to find information about possible impacts on applicants/members of the federal shutdown

- Activities around the Health Connector open and closed enrollment
- Refresher and an update on Transitional Medical Assistance (TMA) and transition guidelines for members whose TMA is ending and who may qualify for a Health Connector plan
- Review of the MassHealth Medically Frail policies

The CAC Training and Communications team also had the opportunity to work with DTA on an initial outreach to CAC organizations to see which ones might be interested in participating in a DTA project to incorporate SNAP application and related activities into their current CAC responsibilities and receive partial federal funding for related project activities. DTA is looking to partner with CAC organizations that may encounter individuals who would be eligible for SNAP benefits.

Through a combination of outreach to contacts with the Massachusetts Health & Hospital Association, the Massachusetts League of Community Health Centers, the Health Connector, and brief presentations during Assister conference calls and at the quarterly Massachusetts Health Care Training Forums, several CAC organizations expressed interest in this opportunity to work with DTA and are following up with contacts at the Department of Transitional Assistance.

Member Education and Communication

As noted in previous reports, on March 1, 2018, MassHealth rolled out new health plan options to support the state's Payment and Care Delivery Innovation Initiative (PCDI). This rollout impacted roughly 1.2M MassHealth managed care eligible members.

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

Global Awareness and Education

During the quarter, through the Massachusetts Training Forums (MTF) in-person meetings (total of 4 meetings reaching 4 regions statewide), we continued to educate and provide MassHealth health plan updates to our stakeholders, hospital staff, health center staff, the provider community, community health workers, and organizations that support our members, to help them understand available resources. The January 2019 MTF session had 406 individuals participate in the training.

Support Materials and Member Engagement

Enhancements continue to be made to ensure the website, <https://www.masshealthchoices.com>, is user-friendly and easy to navigate. Enhancements for this quarter were to the provider search functionality and to include new primary care providers joining a MassHealth Accountable Care Organization (ACO) on January 1, 2019. The website continues to experience high traffic, as it had a total of 67,837 visits during the quarter from external domains.

Enhancements to Customer Service Support

MassHealth continues working to ensure that enhancements established during and after the new health plan rollout continue to provide effective customer service support to members. This quarter, improvements were made to support non-English speaking members when they access MassHealth customer service – optimizing their experience and access to language support. Changes have been implemented to the Interactive Voice Response (IVR) navigation for Spanish speakers and non-Spanish/non-English speakers. For the Spanish IVR, Spanish speaking members can select from a series of prompts, similar to the IVR in English. In addition, the Spanish options have been reordered to services most frequently used, making it easier for members or callers to understand and select the correct prompts.

A second enhancement improved the call experience for members who speak languages other than English or Spanish. A new IVR option routes such members to the customer service team, who will then access interpreter service, to be able to support inquiries and questions.

Provider Education and Communication

During the third quarter, MassHealth continued to conduct trainings focused on PCIDI Year 2 changes effective 1/1/19. These changes were targeted to specific providers and regions in the state educating providers about 19 new providers joining ACO plans in the central and western regions. The goal of provider education to affected providers in these regions was to create awareness about the updates and address any concerns. During this period, customer service continued to directly outreach and offer trainings and assistance with understanding these changes. All providers were made aware of the updates as well as MassHealth efforts to notify members whose providers joined these ACOs. Webinars, one-to-one trainings, and phone overviews were offered to these providers to review 1/1/19 updates as well as provide any answers in order to minimize continuity of care issues. Customer Service also continued to maintain a special hot line number for these providers. Additionally, as we mentioned in the member section, in-person trainings were conducted at the quarterly Provider Association Forum (PAF) and presented at 4 in-person MTF sessions with a total of 406 attendees.

Providers were strongly encouraged to continue to use the PCDI webpage for any updates and the website address was shared in any provider communications during the quarter. These updates, as well as materials, and additional information can be found here:

<https://www.mass.gov/payment-care-delivery-innovation-pcdi-for-providers>

Delivery System Reforms and DSRIP

Accountable Care Organizations (ACOs)

One January 1, 2019, new Amended and Restated contracts and Amendment 1 became effective. These implemented new payment rates, as well as other program changes. This quarter also marks the one-year anniversary of the March 1, 2018 launch of the ACO Program and newly procured MCOs. For a majority of members, this anniversary triggered a 90 day Plan Selection Period.

During the quarter MassHealth worked closely with the ACOs and MCOs around ongoing work on integration with Community Partners (CPs). MassHealth continued to hold joint meetings with the ACOs/MCOs to share operational updates and hear targeted feedback. A particular emphasis was placed on Care Plans being exchanged between ACOs/MCOs and CPs, as both types of organizations work to improve processes and workflows. MassHealth is aligning Care Plan contract requirements between ACOs/MCOs and CPs in order to improve integration and coordination of care, and is in the process of incorporating stakeholder feedback, with the goal to implement new requirements beginning in January 2020. This quarter, for the first time, ACOs/MCOs were responsible for assigning MassHealth-identified members to various CPs. This responsibility had previously been handled by MassHealth. In advance of this change, ACOs/MCOs and CPs worked collaboratively with MassHealth around operational challenges. The assignments are effective on April 1.

MassHealth has worked diligently on performance management for ACOs and MCOs, including identifying and targeting technical assistance to ACOs with particular challenges. Focus areas included completion of comprehensive assessments for LTSS CP-enrolled members, financial performance, delivery of and access to behavioral health, and care management strategies.

A key area of work was data and analytics, including improvements to areas of importance to Model B ACOs. MassHealth engaged Model Bs in prioritization exercises, and continued to explore options for additional information sharing, particularly in the substance use disorder arena. On a program-wide basis, efforts were made to improve internal data handling and processing around dashboarding (which looks at trends in performance metrics), reporting, and encounter data.

In the upcoming quarter, MassHealth intends to further focus on the integration of ACOs/MCOs and CPs, offer additional opportunities for best practice sharing, and operational refinement.

Community Partners (CPs)

On July 1st, 2018, MassHealth successfully launched the Community Partners (CP) Program, and the Community Services Agencies (CSA) DSRIP program, which are geared towards supporting populations with high behavioral health (BH) and complex Long-Term Services and Supports (LTSS) needs and investing in community-based entities that support these populations in the Commonwealth of Massachusetts.

During this quarter, MassHealth continued to focus on CP program implementation, which included hosting monthly meetings with all contracted CPs, and joint meetings with CPs, ACOs and MCOs to provide ongoing information and opportunity to discuss program implementation. MassHealth processed feedback received during Q2 from CPs, ACOs, and MCOs, and used this feedback to develop a roadmap to plan programmatic goals and improvements including: program policy clarification and refinement, care plan optimization, operational improvements, and increased flexibility and controls for ACOs over member identification and assignment. MassHealth is currently working with CPs to facilitate integration of the 834 file (a HIPAA transaction file) to improve CP operational capacity to monitor their program enrollment. We anticipate that most CPs will be able to integrate this file by Q2 of FY 2020. Lastly, CPs and CSAs submitted Revised Budget Period 2 Budgets, Budget Narrative Reports, and a Budget Period 1 Annual Report.

At the end of Q3, approximately 39,000 members were enrolled in the BH CP Program and approximately 11,100 members were enrolled in the LTSS CP Program. For the BH CP population, 65% of members are “in progress,” meaning the CP is either actively outreaching to them, or working with the member on completing a Care Plan.¹ For the LTSS CPs, the “In process” rate is 68%. Also, 18% of all CP members (15% of LTSS CP members and 19% of BH CP members) were “Engaged”² in the CP Program at the end of the quarter.³ These Engagement rates reflect overall improvement as compared to

¹ “In process” statistics were calculated using the member status and outreach reports that were submitted by CPs in April 2019. These statistics describe the percent of members that CPs were actively outreaching or working on care planning with as of March 31, 2019.

² “Engaged” members are defined as members who have a completed Care Plan, which is indicated to MassHealth by the submission of a specific Qualifying Activity to the Medicaid Management Information System (MMIS).

³ “Engagement” statistics were calculated using data from the Qualifying Activities (QAs) that CPs submit to the MMIS. These statistics describe the percent of unique members for whom CPs have submitted a Care Plan complete QA. The dates of support for the Care Plan complete QAs are 7/1/2018-3/31/2019. Please note that CPs have 90 days from date of support to submit a QA, which means that data may be incomplete for the months of January, February, and March 2019, which may lead to a lower Care Plan complete QA percentage reported.

engagement rates reported in the last quarter, as CPs continue to work to update member contact information, overcome challenges in outreach to members and PCPs to complete assessments, and create and sign Care Plans. With assistance from the Statewide Investments Team, MassHealth will be hosting pop-ups, or small-scale conferences, to share with CPs best practices on member engagement in the next few months.

Beginning in January 2019, MassHealth worked with CPs to share best practices for completing Care Plans, supported CPs in implementing Care Plan cover sheets with vital information about the source of the Care Plan and care team members, and developed training focused on best practices for writing Care Plans. MassHealth is currently developing a learning collaborative focused on care plan integration funded through the Statewide Investments under DSRIP. The anticipated start date for the learning collaborative is Q4 of FY 2019.

Throughout Q3, MassHealth worked with ACOs/MCOs to prepare to take over assignment of members to CPs, as discussed in the ACO section. Readiness calls with ACOs/MCOs took place in February 2019, and in March 2019 ACOs/MCOs received lists of eligible MassHealth members to assign to CPs in April 2019. Over the next year, MassHealth will give ACOs/MCOs more flexibility in identifying and assigning members to CPs. As additional flexibilities are planned, MassHealth will distribute guidance as necessary and conduct readiness calls.

Finally, in 2018, MassHealth implemented a portfolio of investments focused on improving statewide community-based workforce capacity and infrastructure to support MassHealth's restructuring efforts, including opportunities to participate in the Technical Assistance (TA) Program. During Q3, CPs continued to submit TA project applications to MassHealth for review. MassHealth approved several applications for projects that will begin in Q3 and Q4.

DSRIP Operations and Implementation

The Operations and Implementation stream provides funding for staff and vendor contracts to assist in implementing and providing robust oversight of the DSRIP program. Please see the Evaluation section for details related to the work by the Independent Evaluator. In Q3, the Independent Assessor (IA) Public Consulting Group (PCG) finalized their review and approval of ACO PY2 Budgets and Budget Narratives and Full Participation Plan updates. All ACOs received approval by the end of the quarter. The IA's Community Partners team finalized their review and approval of CP and CSA BP2 Budgets. All CPs and CSAs received approval by the end of the quarter. EOHHS released guidance to the ACOs, CPs, and CSAs focused on requirements for the PY1/BP1 Annual Progress Reports, which the IA will review in Q4.

The primary area of progress for the IA this quarter included the finalization of DSRIP Domain 1 data collection tools and processes and EOHHS' approval of the sampling methodology for the ACO Practice Site Administrator Survey developed by the IA. Outreach materials and processes to educate and engage the ACOs and CPs in data collection activities were also finalized. The IA continues to develop the ACO Practice Site Administrator Survey, which is expected to receive final approval and be implemented in the next quarter.

Member Experience Surveys (MES) were fielded to members associated with an ACO or Community Partner starting in January, 2019. Members that had a primary care visit, received behavioral health or long-term services and supports (LTSS) services in 2018 were reached either by email, mail or phone to participate in a survey about their experience. The survey fielding and data collection period continued throughout the quarter and will be completed in mid-May.

The state-procured Delivery System Reform Implementation Advisory Council (DSRIC) held a meeting in February to reflect on progress made on MassHealth restructuring efforts and gather feedback from Council members. In March, DSRIC discussed challenges related to addressing mental health and substance use disorders in primary, outpatient behavioral health, and crisis care settings, as well as specific opportunities to improve the ambulatory system for mental health and addiction spanning primary, outpatient BH, and crisis care. EOHHS also continued to present updated vital statistics such as ACO and CP member enrollment.

MassHealth ACO/APM Adoption Rate

- **ACO members as of 3/31/19:** 891,025
- **ACO-eligible members as of 3/31/19:** 1,167,748
- **Percent of ACO-eligible members enrolled in ACOs:** 76.3%

Note that the numerator of the percentage does not currently include MCO enrollees that are covered by APMs that are not ACOs. The State is working to gather this information.

DSRIP 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 Q3, the State continued working with Abt Associates to serve as the external partner to assist with standing up and managing the Technical Assistance (TA) investment. In Q3, this included working with the procured ACO/CP Integration Learning Collaborative vendor as well

as the procured Community Health Worker (CHW)/Peer Specialist Learning Communities vendor on the design of both learning collaboratives.

The State also continued working with the Massachusetts League of Community Health Centers (CHCs) to assist with standing up and managing student loan repayment programs, the Primary Care Integration and Retention Program, the Investment in Primary Care Residency Training programs, and a portion of technical assistance specifically focused on CHCs. In Q3, this included running a competitive procurement for the second year of the Student Loan Repayment Program, Primary Care Integration Models and Retention Program, and the Community Mental Health Center (CMHC) Behavioral Health (BH) Recruitment Fund, which is one component of the Investment in Primary Care Residency Training Program.

Additionally, the State continued working with Commonwealth Corporation under the ISA with the Executive Office of Labor and Workforce Development (EOLWD) to stand up and manage programs under the Workforce Development Grant Program to invest in training for CHWs, Peer Specialists, and frontline workers in ACOs and CPs.

The Commonwealth also continued working with the Massachusetts Health and Hospital Association to provide operation and management services to continue a program to reduce Emergency Department boarding in the Commonwealth through the Enhanced Diversionary Behavioral Health Activities Program. Additionally, in Q3, the State finalized the design of the Behavioral Health Innovation Fund, which is a combination of the second year of the Alternative Payment Methods Preparation Fund and the Enhanced Diversionary Behavioral Health Activities Program. The BH Innovation Fund will support the MassHealth priority of strengthening the behavioral health care delivery system statewide. The State continued working under an ISA with the University of Massachusetts Medical School (UMMS) to incorporate all MassHealth providers into their disabilityinfo.org web directory that will allow to MassHealth members to search by accessibility preference when seeking a provider.

Lastly, the State has contracted with Health Resources in Action (HRiA) to administer the MassHealth Provider Access Improvement Grant Program (PAIGP). Funding will be used to support providers in the acquisition of accessible medical diagnostic equipment and other disability accommodation resources to improve access for individuals with disabilities and for whom English is a second language.

No Statewide Investments (SWI) funds were reallocated in Q3.

Flex Services

During Q3, EOHHS conducted several Flexible Services (FS) engagement meetings with ACOs, CPs, the Social Services Integration Work Group (SSIWG), and other key

stakeholders. In January, EOHHS hosted the first of the series of FS engagement meetings for ACOs, CPs, and the SSIWG. The meeting provided a detailed overview of the Flexible Services, including important program parameters that ACOs and CPs would need to understand in order to begin working on their FS programs. The meeting also provided background information to help ACOs and CPs submit feedback to MassHealth regarding certain policy topics. EOHHS collected written feedback on these topics in February. Additionally, in February, EOHHS hosted a public meeting on Flexible Services to provide a broad interview for other potential stakeholders, including Social Services Organizations that may provide Flexible Services. EOHHS reconvened ACOs and CPs as well as the SSIWG in March to further discuss open policy topics. EOHHS continues to work on programmatic and policy decisions needed prior to the launch of the Flexible Services program.

In addition to the Flexible Services engagement meetings, the SSIWG met in January and March. During the January meeting, a subgroup of the SSIWG presented their findings and recommendations on best practices for how to ensure a smooth member journey for a member receiving Flexible Services. Findings for this presentation included the results of a MassHealth member focus group on Flexible Services. During the March meeting, a subgroup of the SSIWG presented on best practices on Clinical and Community Linkages. In January, the final SSIWG Screening and Planning subgroup held their kick off meeting.

Infrastructure and Capacity Building

In July 2017, EOHHS released an additional \$4.6 million out of a potential \$5 million (“ICB Round 2”) for SFY 2017. ICB Round 2 provides eligible acute care hospitals with funding to complete independent financial and operational audits and to implement recommendations from the audits. The audits and resulting projects focused on enhancing sustainability and efficiency and improving or continuing health care services that benefit the uninsured, underinsured, and MassHealth populations. During Q3, EOHHS continued to intake and review the final reports from ICB Round 2 hospitals, which were due July 31, 2018. EOHHS has thus far received 43 reports and is continuing to work with the remaining 3 hospitals to obtain the outstanding final reports.

In Q3 SFY 2018, the State updated its guidance alerting providers to an additional \$10.385M (released in July 2018) available for eligible acute care hospitals under ICB Round 2 to be used to complete independent financial and operational audits and to implement recommendations from the audits. The audits and resulting projects focus on enhancing sustainability and efficiency and improving or continuing health care services that benefit the uninsured, underinsured, and MassHealth populations. During this quarter, the second round of ICB Round 2 hospitals continued their projects.

Operational/Issues

During this quarter, MassHealth has 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 and to implement new policy. These enhancements and updates included:

- Updates to reasonable compatibility logic to add additional income thresholds to determine if income is reasonable compatible for MassHealth
- Updates to program determination logic to ensure accurate generation of Request for Information (RFI) notices for proof of income and updating Back Office screens to support processing of income verifications for members who are Married Filing Jointly (MFJ)
- Updates to UI/UX screens to capture the year of “one-time income” to ensure correct eligibility determinations
- Enhancements to Back Office screens to improve information available for eligibility staff to support customer service

Policy Developments/Issues

During the quarter, EOHHS and CMS continued discussions about the state’s request to disregard state veteran annuity income for Post Eligibility Treatment of Income (PETI) and the state’s request for a Freedom of Choice waiver for the Premium Assistance program.

On January 23, 2019 Governor Baker released his House 1 budget proposal for State Fiscal Year 2020. As part of the continuing effort to manage MassHealth costs, House 1 proposes significant MassHealth pharmacy reforms to reduce the high cost of prescription drugs, a major driver of program costs, and projects \$80 million in gross savings from these reforms. House 1 also includes a proposal to expand eligibility for the Medicare Savings Programs by disregarding income in an amount equivalent to 30% of the federal poverty level for each program and by doubling the asset limits.

Financial/Budget Neutrality Development/Issues

The attached budget neutrality (BN) statement includes actual expenditures and member months through Quarter 3 of state fiscal year (SFY) 2019 as reported through the quarter ending March 31, 2019 (QE 03/31/19). SFY 2019 expenditures and member months are projected from SFY 2019 Quarters 1-3 actual data.

This BN demonstration includes actual expenditure figures, updated according to the most recent complete data available for SFY 2017, SFY 2018, and SFY 2019 Q1-Q3. The enrollment data for the years SFY 2017, SFY 2018, and SFY 2019 Q1-Q3 were updated based on actual

enrollment through May 2019.

Safety Net Care Pool (SNCP)

The five-year SNCP target is based on projected expenditures for SFY 2018-2022. The changes for SFY 2019 will continue to be updated as the fiscal year progresses.

Budget neutrality - summary

In sum, the total projected budget neutrality cushion is \$6.6 billion for the period SFY 2018 through SFY 2022 and \$26.1 billion for the period SFY 2014 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	Jan 2019	Feb 2019	Mar 2019	Total for Quarter Ending 03/19
Base Families	694,996	698,632	702,115	2,095,743
Base Disabled	232,750	231,935	226,366	691,051
1902(r)(2) Children	14,184	14,539	14,637	43,360
1902(r)(2) Disabled	17,408	17,186	17,004	51,598
New Adult Group	312,310	310,325	312,546	935,181
BCCDP	1,112	1,123	1,129	3,364
CommonHealth	30,987	31,364	31,439	93,790
TANF/EAEDC*	66,373	66,165	65,771	198,309

*TANF/EAEDC is a subcategory of Base Families

B. For Informational Purposes Only

Expenditure and Eligibility Group (EG) Reporting	Jan 2019	Feb 2019	Mar 2019	Total for Quarter Ending 03/19
e-HIV/FA	718	745	754	2,217
Small Business Employee Premium Assistance	13	13	13	39
DSHP- Health Connector Subsidies	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

Consumer Issues

MassHealth did not hold any in-person enrollment events this quarter but continues to plan events for upcoming quarters.

Quality Assurance/Monitoring Activity

Managed Care Quality Activities

Managed Care Program (under 65, non-disabled)

In Quarter 3 the MassHealth Managed Care (MCO) Program engaged in several quality activities. Managed Care entities embarked on the collection of HEDIS data for the 2019 HEDIS cycle, which reviews CY18 services. HEDIS data collection will continue into Q4, ending in mid-June with submission to NCQA via the Interactive Data Submission System (IDSS). Post submission to NCQA, MCOs will submit a copy of their IDSS to the MassHealth Quality Office (MQO) with associated patient level data for review. MassHealth will begin their data analysis in Q1 of the next fiscal year; however benchmark data will not be available until Q2.

In January 2019, the MassHealth managed care organizations submitted their initial quality improvement project (QIP) plans for review and approval by MassHealth; these QIPs will span a two-year period of time: one baseline cycle and one re-measurement cycle. The MCOs received constructive feedback from both MassHealth and MassHealth's external quality review Organization (EQRO). MCOs used the remainder of Q3 to modify their QIP plans and initiate implementation of their projects. Project Implementation will continue through Q4 and Q1 of the next fiscal year with MCOs submitting a follow up reports in September 2019.

External Quality Review Activities

During the quarter, the EQRO completed review of all MCE (ACO, MCO, Senior Care Options (SCO), and One Care Plans as well as the Massachusetts Behavioral Health Partnership (MBHP)) 2019 initial Performance Improvement Plan (PIP) plans/reports; a second more detailed report will be submitted in September 2019. For the majority of the programs, these reports detail the planning and implementation of the first re-measurement cycle for the PIP projects, with the exception of the ACO and MCO plans, for which the report represents the baseline cycle. The EQRO provided the plans scoring worksheets, held teleconferences to provide feedback, and provided technical assistance as necessary. Implementation of PIPs will continue into Q3.

Performance measure validation (PMV) activities for MBHP, SCOs, and One Care plans will begin towards the end of Q4 with PMV activities for ACOs and MCOs beginning in August/September 2019.

Finally, technical reports for all programs were completed in March.

MassHealth Quality Committee

The goal of the MassHealth Quality Committee is to support and inform development and alignment of quality goals, strategies and activities across current and new programs. The majority of activities that took place in Quarter 3 focused primarily on setting quality priorities for the next calendar year and making sure that the appropriate program representatives are participating on the Committee. The Committee also continued to talk about how to address aligning public reporting needs/requirements across programs.

MassHealth ACO/CP Quality Strategy

In Quarter 3, MassHealth completed key technical and policy decisions related to the clinical data collection strategy (e.g., methodology, technical materials) applicable to CY2018 hybrid measures. By the end of Q3, the strategy was ready to transition to the testing phase of clinical data collection, with participation from all ACOs, scheduled for early Q4. Further, MassHealth continued regular discussions with external and internal quality stakeholders, including NCQA and the procured DSRIP Quality Subcommittee (DSRIP QSC) on issues such as updated data collection strategies and reporting for CY2019 and beyond (e.g., burden reduction, expanded collection timeframes). Additionally in Q3, MassHealth received CMS approval on its Social Determinants of Health focused risk adjustment model applicable to quality measure ACO-11 ED Visits for Individuals with Mental Illness, Addiction, or Co-occurring Conditions. Testing of this same model is currently being conducted on several additional ACO and CP measures with preliminary results expected for Q4. Also in Quarter 3, MassHealth continued to support formal guidance to ACOs on External Quality Review items (e.g., performance improvement projects), per Managed Care Final Rule requirements. Finally, MassHealth continues to work with the DSRIP Quality Subcommittee and the Quality Alignment Taskforce alongside representatives from commercial health insurers, consumers, providers, and purchasers. Convened by Massachusetts Executive Office of Health and Human Services (EOHHS), the Quality Alignment Taskforce aims to harmonize quality measures used in ACO quality contracts across the Commonwealth, and strives toward attaining measure alignment and administrative simplification.

CMS Grant Activities -- Contraceptive Use Grant

During Q3, MassHealth identified a subset of community health centers for which to develop detailed reports about MassHealth specific contraceptive data. Templates of the reports were drafted in Q3 and will be populated and distributed in Q4. The purpose of the reports is to support continued quality improvement projects for CHCs that are not specifically Title X providers and not already receiving additional support from the Massachusetts Department of

Public Health. Additionally, MassHealth has been working with other state agencies and external stakeholders to ensure continued focus on contraceptive use as the grant comes to a close in September 2019.

Demonstration Evaluation

Massachusetts received approval of the Independent Evaluation Design Document (EDD) from CMS on January 31, 2019.

Major goals for this quarter included preparing content for and piloting the Key Informant Interviews (KII) with ACO and CP leadership, eliciting feedback and fine-tuning the interview process in preparation for the interviews to be performed with all 17 ACOs and 26 CPs, which are scheduled to begin in May 2019.

The Independent Evaluator (UMMS) has continually engaged with the Independent Assessor (PCG) to ensure coordination between IA/IE activities with an eye towards efficiency and minimizing respondent burden, including holding weekly check-in meetings related to upcoming ACO Provider Surveys and the KII interviews. The IE continues to hold bi-weekly meetings with MassHealth to coordinate work-streams and deliverables, to communicate updates with potential evaluation impacts, and to assure access to data needed for the evaluation.

The primary area of progress for the IA this quarter included the finalization of DSRIP Domain 1 data collection tools and processes and EOHHS' approval of the sampling methodology for the ACO Practice Site Administrator Survey developed by the IA. Outreach materials and processes to educate and engage the ACOs and CPs in data collection activities were also finalized. The IA continues to develop the ACO Practice Site Administrator Survey, which is expected to receive final approval and be implemented in the next quarter.

UMMS continues to hold bi-weekly meetings with MassHealth to coordinate work-streams and deliverables, to communicate updates with potential impact on the evaluation, and to assure access to data required for the evaluation.

Enclosures/Attachments

In addition to this narrative report, we are submitting:

- Budget Neutrality Workbook

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