

MassHealth  
Section 1115 Quarterly Report

Demonstration Year: 21 (7/1/2017 – 6/30/2018)  
Quarter 1: (7/1/17 – 09/30/17)

**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 five 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

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 1 ending September 30, 2017.

**Enrollment Information**

The enrollment activity below reflects enrollment counts for SFY 2018 Quarter 1, as of October 2017.

<b><u>Eligibility Group</u></b>	<b><u>Current Enrollees (to date)</u></b>
<b>Base Families</b>	795,662
<b>Base Disabled</b>	222,737
<b>1902(r)(2) Children</b>	19,385
<b>1902(r)(2) Disabled</b>	16,345
<b>Base Childless Adults (19-20)</b>	26,610
<b>Base Childless Adults (ABP1)</b>	28,332
<b>Base Childless Adults (CarePlus)</b>	269,619

<b>BCCTP</b>	1,204
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<b><u>Eligibility Group</u></b>	<b><u>Current Enrollees (to date)</u></b>
<b>CommonHealth</b>	25,955
<b>e-Family Assistance</b>	8,640
<b>e-HIV/FA</b>	646
<b>SBE</b>	25
<b>Basic</b>	N/A
<b>DSHP- Health Connector Subsidies</b>	N/A
<b>Base Fam XXI RO</b>	0
<b>1902(r)(2) XXI RO</b>	0
<b>CommonHealth XXI</b>	0
<b>Fam Assist XXI</b>	0
<b>Asthma</b>	N/A
<b>TANF/EAEDC*</b>	N/A
<b>End of Month Coverage</b>	N/A
<b>Total Demonstration</b>	1,415,160

\*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 October 2017.

<b>Plan Type</b>	<b>QE 06/17</b>	<b>QE 09/17</b>	<b>Difference</b>
MCO	878,201	824,856	-53,345
PCC	396,302	389,466	-6,836
MBHP	457,950	450,135	-7,815
FFS	563,710	551,919	-11,791
PA	18,866	19,017	151
ACO	0	0	0

### **Enrollment in Premium Assistance and Small Business Employee Premium Assistance**

During this reporting quarter, MassHealth provided premium assistance for 29,466 health insurance policies (including Student Health Insurance Plan policies), resulting in premium assistance to 40,494 MassHealth eligible members.

The Small Business Premium Assistance Program is still operating; however, the numbers continue to drop since the last reporting period. As of September 2017 we had 17 active enrollments in the SBEP program. This is down 9 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 September 2017, 17,930 students were enrolled in the program. Participation in the program is expected to exceed 25,000 enrollments by the close of the 2017 fall semester.

<b>Premium Assistance Program</b>	<b>Disabled Members</b>	<b>Non-Disabled Members</b>	<b>Total MassHealth Enrolled Members</b>
<i>Standard</i>	<b>1,809</b>	<b>9,307</b>	<b>11,116</b>
<i>CommonHealth</i>	<b>3,032</b>	<b>0</b>	<b>3,032</b>
<i>Family Assistance</i>	<b>19</b>	<b>7,952</b>	<b>7,971</b>
<i>CarePlus</i>	<b>0</b>	<b>428</b>	<b>428</b>
<i>Small Business Employee Premium Assistance (SBEPA)</i>	<b>0</b>	<b>17</b>	<b>17</b>
<i>Student Health Insurance Premium Assistance (SHIP PA)</i>		<b>17,930</b>	<b>17,930</b>
<b>Total for Q1</b>	<b>4,860</b>	<b>35,634</b>	<b>40,494</b>

### **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 Assistants (CACs and the Health Connector Navigators, Independent Enrollment Assistants).

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 Assistors on a wide variety of MassHealth eligibility and related topics, as well as refreshers, in order to help Assistors 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 Assistors, 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, CAC outreach and educational activities were focused on ensuring our 1,400+ CACs continued to be well informed about new and ongoing activities across both MassHealth and the Health Connector. This was accomplished through 17 emails, 2 Assister conference calls, and 4 in-person educational Massachusetts Health Care Training Forum sessions across the Commonwealth. These activities covered a range of topics including updates to the online application, program updates and reminders, and preparation for Health Connector Open Enrollment.

This quarter, the CAC Training team's primary focus was around continued preparations for training and communications in support of the new MassHealth health plan options going into effect March 1, 2018, and being communicated to members November-December 2017. These activities focused on Assister education and included content development for CAC training, a series of topic-specific conference calls and webinars, in-person educational events, and Assister email updates. Efforts have been concentrated on design and development of the in-depth, online mandatory training course and related job aids. Content not only includes details around the new MassHealth health plan options, but also guidelines for how CACs can assist members, member experience throughout the transition, and detailed timelines for the changes. Preparing the CACs for the upcoming changes and how they impact managed care-eligible members is central to a smooth transition for the members. To help keep CACs informed about upcoming events, a section of the Assister emails has been dedicated to current and upcoming activities for both MassHealth and the Health Connector.

#### Member Education and Communication

The MassHealth Member Education representative continues to provide educational presentations and program updates to community advocate agencies, medical providers, internal and external state agency staff, program members, and any other interested parties per request. In addition, the MassHealth Member Education representative attends scheduled meetings,

collaborations, forums, and round tables to provide updated MassHealth program information and to offer Member Education presentations. Updates include, but are not limited to, new policy and operational updates, and revised publications and materials. Application and renewal troubleshooting assistance is provided and information about additional agency outreach efforts is distributed. Member Education presentations are individually created to provide information per agency request. They are often targeted for specific populations that the agencies serve and provide program information that is appropriate to those populations.

The Member Education representative also plays an integral role on the Massachusetts Health Care Training Forum (MTF) “Convener” team. Members meet monthly to determine the MTF meeting format, agenda, and material presentation content. Member Education regularly presents MassHealth program information quarterly at each of the four regional MTF meetings.

During this quarter, the Member Education Representative presented at four Massachusetts Health Care Training Forums and attended numerous community meetings providing program information and updates to participants, presented a variety of tailored Power Point presentations to many different stakeholders across the Commonwealth, providing comprehensive and relevant educational and outreach events.

On November 13, MassHealth began mailing packages to managed care eligible members with personalized information about changes to their health plan enrollment effective March 1, when the ACO program launches. Batches of these mailing packages are being sent out weekly through December 22, until all managed care eligible members are reached, approximately 1.1 million people. Notices will describe one of the following actions:

- The member’s PCP is now in a new ACO health plan’s network. In this case, if a member takes no action they will follow their PCP into a new health plan effective March 1, 2018.
- The member’s current health plan is no longer available and their PCP is not in a new ACO health plan’s network. In this case, if a member takes no action by March 1, 2018, MassHealth will assign a member to a new health plan.
- The member’s current health plan is still available and their PCP is not in a new ACO health plan’s network. In this case, if a member takes no action, they will stay with their current health plan. However, these members will be instructed on how to explore new health plan options, if they so choose.

These notices are unique to this effort, and have a green stripe on the envelope and letter to make them easily identifiable by members and those organizations that support them.

Member notices are being sent to each individual in a household. Heads of Households will get a letter, a new MassHealth Enrollment Guide that describes all the new plan options, and a flyer for MassHealth in-person enrollment events being held across the Commonwealth from January-May 2018. At these events, members will be able to get assistance both with health plan enrollment, changes, and MassHealth eligibility.

Members who indicated a preferred written language to receive MassHealth materials in Spanish, will automatically receive a Spanish-language version of the materials. A MassHealth Babel Card, which translates important messages into the most common languages spoken in the Commonwealth, will be included in all letters. Upon request, alternative formats of the materials will be made available.

Additionally, this quarter MassHealth launched the new MassHealth Choices webpage, <https://masshealthchoices.com>, to help members understand the new health plan choices available to them on March 1st. This website allows members to learn about new plan choices, compare choices, and enroll in the health plan that is best for them. This website is extensively advertised on member notices, support materials, and other trainings for stakeholders. This website also serves as a landing page for various member materials that were made available this quarter, including fact sheets about ACOs, worksheets to assist members in selecting a health plan, and an updated Enrollment Guide that introduces new health plan options to members using clear and concise language, charts, and graphics.

#### Provider Education and Communication

This quarter, MassHealth developed a multi-pronged approach focusing on creating awareness, addressing operational needs and targeting community partners to education and communicate changes in the delivery system to all MassHealth providers.

MassHealth launched a series of webinars available to all 68,000 MassHealth providers that will continue through Spring 2018.

This first phase of webinars focused on:

- Providing an overview of the MassHealth ACO/MCO structure
- Educating providers on frequently used terms and acronyms
- Informing providers of member notices and the MassHealth Choices website
- Making providers aware of changes to eligibility and claim submission
- MassHealth is also actively preparing for Phase 2 of Provider Education and Communication, which begins January 4th through March 30<sup>th</sup>. This phase will include a second set of webinars for providers which will focus on:
  - Educating providers on plan-specific administrative and operational requirements
  - Providing a detailed overview of the Primary Care Clinician Plan

MassHealth is also hosting a series of in-person, provider-focused sessions which align with member enrollment events across the state.

To date, MassHealth has held a total of 12 webinars with a total of 296 attendees and a total of 3 in-person sessions with a total of 243 attendees.

Additionally, MassHealth developed four fact-sheets this quarter, each targeted at a specific type of provider (PCPs, specialists, hospitals, and behavioral health providers) to educate providers about the basics of 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 also recently released a new All-Provider Bulletin, which provides a deeper dive to the concepts introduced in the fact sheets as well as detailed contact information for all available health plans.

MassHealth has developed a new webpage, <https://www.mass.gov/lists/pcdi-resources-for-providers>, to be a landing page for these provider resources and activities to serve as a streamlined access point for providers to access these materials and learn more about payment reform activities.

### **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, organizations that participated in the Pilot ACO program provided initial reports on their Total Cost of Care and Quality Management model, and feedback on structural and informational supports from MassHealth that would be most helpful going forward, including a centralized social services/community provider database and the possibility for collaboration on Event Notification Systems (ENS). ACOs expressed challenges in outreach and engagement with the MassHealth population, but were optimistic about the impact of their specific care management programs.

Pilot ACO membership has stayed relatively stable at approximately 155,000 members. MassHealth has maintained reporting supports for our ACO partners, both monthly and quarterly performance reports. Due to claims lag, this quarter saw the first set of quarterly performance information on the pilot program performance period. The information is too early to draw conclusions on overall pilot performance, but the pilot ACOs are performing at or near their Total Cost of Care targets, which provides additional confidence in our modeling.

In July 2017, EOHHS selected 18 ACOs to enter into contract negotiations. In addition, EOHHS finalized the Accountable Care Partnership Plan (Partnership Plan), Primary Care ACO and MCO-Administered ACO contracts for execution. In August, 2017, EOHHS executed contracts with 17 ACOs which includes 13 Partnership Plans, 3 Primary Care ACOs and 1 MCO-Administered ACO, that together will serve more than 850,000 MassHealth members. The contracted ACOs include five of the six ACOs from the Pilot Program.

Throughout this quarter, MassHealth held one-on-one meetings with the ACOs about the contracting process and specific contracting priorities, office hours related to rates and Total Cost Of Care benchmarks, and other meetings with the ACOs on such topics as readiness review and Community Partners. MassHealth also conducted trading partner testing with the ACOs and worked with the ACOs to develop member-facing materials such as websites and the MassHealth Enrollment Guide as described above in the Outreach section.

ACOs submitted Preliminary Participation Plans, along with Budgets, and Budget Narratives for their Preparation Budget Period (August to December 2017). The State reviewed and approved the majority of these plan by the end of Q1 disbursing \$39.1M in Delivery System Reform Incentive Payments (DSRIP) funds. MassHealth expects to approve the remaining plans and disburse approximately \$83M in DSRIP funds in the beginning of Q2. 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.

### **Community Partners (CPs)**

MassHealth continues to work towards the launch and implementation of the Community Partners Program and the CSA DSRIP program, which are geared towards investing and supporting populations with high behavioral health (BH) and Long-Term Services and Supports (LTSS) needs in the Commonwealth. Both programs are set to launch June 1, 2018. From March through September 2017, MassHealth successfully launched and completed three (3) procurements for Behavioral Health Community Partners (BH CPs), LTSS Community Partners (LTSS CPs), and Community Services Agencies (CSAs) for Infrastructure and Capacity Building.

During the procurement process, MassHealth evaluated Bidders' strengths across many facets, including governance structures, experience serving BH and LTSS populations, information technology (IT) capabilities, and plans for integration. MassHealth also collaborated with representatives of sister agencies, such as the Department of Mental Health, the Department of Public Health/Bureau of Substance Abuse Services and the Executive Office of Elder Affairs, in the procurement process to align efforts and goals. MassHealth received:

- 22 BH CP responses, and selected 18 Bidders for contracting;
- 12 LTSS CP responses, and selected 9 Bidders for contracting;
- 19 Community Service Agencies (CSAs) responses and selected all 19 Bidders for contracting.

MassHealth teams also worked closely with Operations teams to operationalize the CP program and create processes for enrollment, payment, and reporting for CPs.



Throughout this quarter, MassHealth engaged in ongoing contract negotiations with Bidders and preparing for a robust readiness review process. The CPs/CSAs submitted Preliminary Participation Plans, Budgets, and Budget Narratives for their Preparation Budget Period (December 2017 to May 2018), which Massachusetts reviewed during Q1. CPs are proposing to utilize 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. The CP team expects to complete its review, contract, and approve Participation Plans, Budgets, and Budget Narratives in Q2.

## **Flex Services**

MassHealth is revising its Flexible Services Program (FSP) protocol to focus the target population via needs-based criteria and risk factors, and to define the list of allowable home- and community-based services that eligible members of MassHealth ACOs and CPs may receive. MassHealth expects to submit the revised FSP protocol to CMS in December 2017.

## **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 Q1, EOHHS released a Request for Quotes (RFQ) to procure an external partner to assist with standing up and managing the Technical Assistance (TA) investment, which comprises the largest proportion of SWI funding (~\$43M over five years). The SWI team also finalized 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. This RFR is slated for release in October 2017. EOHHS made significant progress in designing the Workforce Development Grant Program (e.g. identifying which provider types this investment should target), the Alternative Payment Methods Preparation Fund (e.g. award amounts, eligibility criteria), and the Enhanced

Diversions Behavioral Activities investment (e.g. feasibility analyses for various investment possibilities). Lastly, EOHHS executed an Internal Service Agreement (ISA) with the University of Massachusetts Medical School (UMMS) to design a provider directory for MassHealth members that will detail the accessibility accommodations at MassHealth providers. The goal is to launch the 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. Additionally, EOHHS is in the midst of procuring vendors to serve as the DSRIP Independent Assessor and a MassHealth Health Plan Ombudsman. It has secured contracts with an Independent Evaluator and Patient Experience Survey Vendor and has begun working with both entities. During Q1, EOHHS:

- wrote and released a procurement for an Independent Assessor;
- wrote a procurement for an Ombudsman program, which will be released in Q2; and
- procured and contracted with an Independent Evaluator and a Patient Experience Survey Vendor.

The DSRIP Independent Assessor will review ACO and CP participation plans, budgets, budget narratives, and semi-annual progress reports for compliance with the Special Terms and Conditions, DSRIP Protocol, and EOHHS-issued guidance. The Ombudsman will provide services to Enrollees of ACOs, Managed Care Organizations (MCOs), Senior Care Options (SCO), the Managed Behavioral Health Contractor, One Care plans, or Programs of All Inclusive Elders (PACE) who want assistance addressing challenges in accessing behavioral health services, long-term services and supports, and integrated health services.

In July 2017, EOHHS contracted with Massachusetts Health Quality Partners (MHQP) to serve as its Patient Experience Survey Vendor. MHQP will be evaluating member experience in the primary care, BH, and LTSS settings over the course of the DSRIP program. In Q1, MHQP focused on the early stages of preparation for administration of the adult and children's Primary Care survey. MHQP developed a sampling methodology, assigned ACO pilot practices into Medical Groups, and drafted the survey tools.

### **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.

On November 16, 2016, EOHHS issued a request for applications for SFY 2017 ICB grants. In March 2017, EOHHS made payments pursuant to the procurement to support two categories of ICB projects:

- Project A: Support for Pilot ACOs' Implementation of Their Total Cost of Care and Quality Management Models
- Project B: Support for Primary Care Payment Reform (PCPR) Providers' Continued Integration of Care

Six Pilot ACOs received funding to support Project A and three PCPR Providers received funding to support Project B. Specific ICB-funded projects focus on enhancing care coordination and management, developing data warehouses, creating more robust data, analytics, and reporting capabilities, integrating behavioral health, and improving quality measures. Awardees had until August 22, 2017 to finalize projects and submit reports. Three awardees submitted projects by August 22 and six requested extensions as permitted. All nine final reports will be submitted by December 31, 2017.

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. 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 focus on enhancing sustainability and efficiency and improving or continuing health care services that benefit the uninsured, underinsured, and MassHealth populations. Draft regulations governing the payments were posted for public comment in March 2017. EOHHS promulgated final regulations and released corresponding guidance in June and July of 2017. In July 2017, \$4.6M was awarded to 47 of the 53 eligible hospitals (6 providers chose not to participate in the program).

EOHHS has continued to review and finalize remaining ICB reports for SFY 2015. Seventy-eight ICB-funded projects began in December 2015 with initial terms ending on June 30, 2016. EOHHS approved 45 extensions to ICB grantees who sought to extend the duration of their projects. As of November 30, 2017, EOHHS had received a total of 77 final reports. EOHHS is working with grantees to finalize the final outstanding report. EOHHS began reviewing the final reports in Q2 SFY 2017 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 to enhance functionality in the HIX system. These enhancements included logic to systematically provide MassHealth Standard coverage to members otherwise eligible for CarePlus, who are also receiving services from the MA Department of Mental Health. This enhancement eliminated an operational workaround using our legacy eligibility system (MA21). Logic was added to ensure a pregnant woman who is approved for MassHealth Standard remains eligible for coverage for the duration of her pregnancy and post-partum period, regardless of reported changes.

Enhancements to the HIX system also included language updates to the User Interface on the application and in the Back Office. In addition, a number a HIX defects were fixed to improve system stability and eliminate workaround processes. During this quarter, MassHealth continued utilizing periodic data matching and renewal activities for the Medicaid/CHIP population.

### **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. EOHHS agreed to move the request to eliminate Non-Emergency Transportation (except for such transportation to treatment for substance use disorder services) for CarePlus members from this amendment to a second amendment (see below) in order for CMS to expedite approval of the two remaining requests in the amendment (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).

On July 20, 2017, EOHHS posted a second amendment to the 1115 Demonstration waiver for public comment. 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.

EOHHS held two listening sessions on this waiver amendment, one in Boston on August 4, 2017 and one in Chicopee on August 16, 2017, and received 50 comment letters. After reviewing the comments and revising the amendment in response to certain comments, EOHHS submitted a final version of the amendment to CMS on September 8, 2017. During the quarter, EOHHS continued conversations with the state legislature to request support for the items in the amendment that require legislation to implement.

### **Financial/Budget Neutrality Development/Issues**

The attached budget neutrality (BN) statement includes actual expenditures and member months through Quarter 4 of state fiscal year (SFY) 2017 as reported through the quarter ending September 30, 2017 (QE 9/30/17). SFY 2018 expenditures and member months are projected from SFY 2017 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 and SFY 2017. The enrollment data for the years SFY 2016 and SFY 2017 were updated based on actual enrollment through November 2017.

### 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 \$7.6 billion for the period SFY 2018 through SFY 2022 and \$31.7 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**

<b>Expenditure and Eligibility Group (EG) Reporting</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Total for Quarter Ending XX/XX</b>
<b>Base Families</b>	740,986	722,967	730,588	2,194,541
<b>Base Disabled</b>	241,062	239,007	238,233	718,302
<b>1902(r)(2) Children</b>	21,416	19,882	19,390	60,688
<b>1902(r)(2) Disabled</b>	18,953	18,793	18,535	56,282
<b>New Adult Group</b>	352,455	327,378	323,874	1,003,707
<b>BCCDP</b>	1,166	1,170	1,208	3,544
<b>CommonHealth</b>	27,038	27,166	27,299	81,504
<b>TANF/EAEDC*</b>	63,472	64,939	65,133	193,544

\*TANF/EAEDC is a subcategory of Base Families

#### **B. For Informational Purposes Only**

<b>Expenditure and Eligibility Group (EG) Reporting</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Total for Quarter Ending XX/XX</b>
<b>e-HIV/FA</b>	644	634	640	1,918
<b><u>Small Business Employee Premium Assistance</u></b>	29	28	27	84
<b><u>DSHP- Health Connector Subsidies</u></b>	N/A	N/A	N/A	N/A
<b>Base Fam XXI RO</b>	0	0	0	0
<b>1902(r)(2) RO</b>	0	0	0	0
<b>CommonHealth XXI</b>	0	0	0	0
<b>Fam Assist XXI</b>	0	0	0	0

### **Consumer Issues**

No additional eligibility/enrollment events were scheduled for the remainder of 2017 as we are preparing special MCO events beginning in January 2018. At the end of the 2018

Eligibility/MCO open enrollment period (March 2018), we hope to plan at least one eligibility event series sometime in June, but this is not a certainty as of yet.

#### National Health Center Week/MCO Education Community Events August

In August 2017, as we did in 2016, MassHealth partnered with various community health centers (CHCs) throughout the Commonwealth to help celebrate National Health Center Week (<http://www.healthcenterweek.org/>), a celebration held every August, celebrating both CHC staff and their members. MassHealth took this opportunity to make members aware of the coming payment reform initiatives that were to go live in November, and to watch the mail for notice letters explaining these changes. All four MECs and the CPU participated and our presence was greatly appreciated by both CHC staff and their members.

#### Veterans Events / Upcoming Events

In September, several event teams attended community events in the Northeast and Greater Boston areas, answering questions about MassHealth and related health care plans, where teams answered questions, and assisted individuals in filling out online applications and checked their eligibility status. As of this writing, it is planned that there will be one five-event series for MCO plan selection per year, once the open enrollment cycle for payment reform has completed (sometime in 2019). Once this cycle has completed, we plan to restart the quarterly eligibility event cycle, alongside the yearly eligibility/MCO open enrollment period. In addition to our usual eligibility and MCO events, we will also be participating in various interim event activities throughout the state, in partnership with regional community health centers and outreach groups through FY 2019.

#### Quality Assurance/Monitoring Activity

##### **Managed Care Quality Activities**

##### ***Managed Care Program (under 65, non-disabled)***

During Quarter 1 the MassHealth Managed Care (MCO) Program engaged in several quality activities. The MCO program continued to monitor plan performance on variety of quality measures. The 2016 MassHealth Managed Care report, which summarizes individual MCO and overall MassHealth performance on several HEDIS indicators, was posted to the MassHealth website. Additionally, MassHealth initiated preparation for the 2017 MassHealth Managed Care report by reviewing and assessing MCO performance data submitted by MassHealth contracted MCOs in Quarter 4, via the health plans' IDSS submissions. MassHealth not only uses these data to assess plan performance, but also uses these data for reporting on the CMS Adult and Child Core Set and identifying areas to focus quality improvement activities.

In addition to assessing performance on quality measures, the MCO program also assessed plan performance on select quality improvement projects (QIPs). Contracted managed care plans submitted reports on a total of 3 QIPs, 2 of which were reviewed by the state's external quality review vendor and 1 reviewed by staff in the MassHealth Quality Office (MQO). Results of these reviews are currently being compiled and will likely be shared with plans sometime in late Quarter 2.

Finally, work with external quality review (EQR) continued into Quarter 1, with plans submitting requested information to the EQR vendor for performance measure validation, performance improvement project validation, and compliance audit activities in July. Follow up phone calls were held with plans in July and August. It is anticipated that drafts of the EQR technical reports will be made available to MassHealth staff in late Quarter 2.

### **External Quality Review Activities**

During this quarter, the EQRO begin preliminary reviews of compliance and PIP materials submitted by MCEs. The vendor completed on-site visits for performance measure validation and compliance activities. Beginning in September, preliminary performance improvement project feedback was provided to all participating MCEs through collaborative technical assistance phone calls designed to help MCEs improve their project design and documentation. A new template for the technical reports was drafted with an emphasis on displaying comparative information. First drafts of these reports are expected to be complete toward the end of Q2.

### **Primary Care Payment Reform (PCPR)**

Primary Care Payment Reform (PCPR) performance improvement activities for this reporting quarter are pending due to the necessary claims run out time for CY 2016 data. The claims data is scheduled to be available 12/2017. 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 1, the MassHealth Quality Committee continued to meet monthly with representation from various MassHealth programs (e.g., MCO, PCC, 438.6 (c), ACO, Hospital P4P). During this quarter, the Committee primarily focused its efforts on developing an aligned quality strategy that both meets the specific requirements of the managed care rule and the broader MassHealth organization. It is anticipated that a draft of the updated quality strategy will be completed by early 2018, when it will begin the internal and external vetting processes. In addition to the Quality Strategy, the MassHealth Quality Committee discussed the data used to calculate and report on the CMS Adult and Child Core Sets and made recommendations regarding the inclusion of additional managed care populations in the measure calculations (One Care and SCO).

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

In Quarter 1, MassHealth completed drafting specifications for each ACO quality measure, and submitted these specifications, as well as accompanying revisions, to CMS. MassHealth has continued to hold regular conversations with internal and external quality experts, including the

DSRIP Subcommittee on Quality, on various components of measure construction including (but not limited to) risk adjustment, value set identification, and feasibility of data collection. MassHealth continued preparing the CP quality measure slate, including incorporation feedback from stakeholders into the construction of the measure definitions, in advance of presentation to the DSRIP Subcommittee on Quality in October. MassHealth continues actively participating in the DSRIP Quality Measurement Alignment Taskforce, a procured entity consisting of representatives from commercial health insurers, consumers, providers, and purchasers, which aims towards harmonizing quality measures used in ACO quality contracts across the Commonwealth. This venue has afforded MassHealth value 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, project staff continued to analyze the Title X data set. A second year of Title X data (CY16) was requested with an updated data use agreement being finalized in August. Additionally, project staff is the process of identifying MassHealth's 10-15 largest family planning providers. Project Staff will use the MassHealth claims data to conduct a sub-analysis of these providers and calculate provider/practice level rates for the global Use of Contraception measure and the postpartum Use of Contraception measure. MassHealth expects that much of its Quarter 2 work will focus on calculating the MassHealth rate for the contraceptive measure and its associated sub-measures for reporting to CMS via MACPro.

#### **Demonstration Evaluation**

In August 2017, EOHHS contracted with the University of Massachusetts Medical School (UMMS) to become its 1115 waiver and DSRIP Independent Evaluator. For DSRIP, UMMS will review the DSRIP program as a whole and produce an interim and final summative evaluation. As EOHHS is tasked with submitting a proposed design for the interim DSRIP evaluation to CMS by June 30, 2018, Q1 work focused on beginning to outline this evaluation design and identify the data flows necessary to support the evaluation.

MassHealth is awaiting feedback on its draft overall evaluation design for the 1115 Extension, which includes updates to evaluate the provisions in the two pending Amendments.

#### **Enclosures/Attachments**

In addition to this narrative report, we are submitting:

- Budget Neutrality Workbook
- Zip File containing the following plans for each of the 17 ACOs and CPs:
  - Preliminary Participation Plan, including a Spending Plan,
  - Budget
  - Budget Narrative



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