

MassHealth The Massachusetts Medicaid Program

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Today's Talk

- An introduction to MMPI
- The basics of Medicaid/MassHealth
- How health reform affects MassHealth, and vice-versa
- Policy outlook for MassHealth

A Brief History of MMPI

- Founded in 2003 as an independent, nonpartisan source of information and analysis about MassHealth
- Mission:

MMPI promotes broader understanding of MassHealth and its interrelatedness with other health care programs for low income people, and a more rigorous and thoughtful public discussion of the program's successes and the challenges ahead.
- Collaborates with a wide spectrum of policy makers, legislators, researchers, providers, advocacy groups, consumer organizations, business and other stakeholders.
- Subsidiary of BCBSMA Foundation, with separate board of directors

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What Does MMPI Do?

- **Goals**
 - Broaden understanding of MassHealth
 - Contribute to a more informed public debate about the program
- **Publications**
 - Describing the MassHealth program
 - Analyzing policy issues and challenges
- **Forums and presentations**
- **Agenda responds to needs for information and analysis**

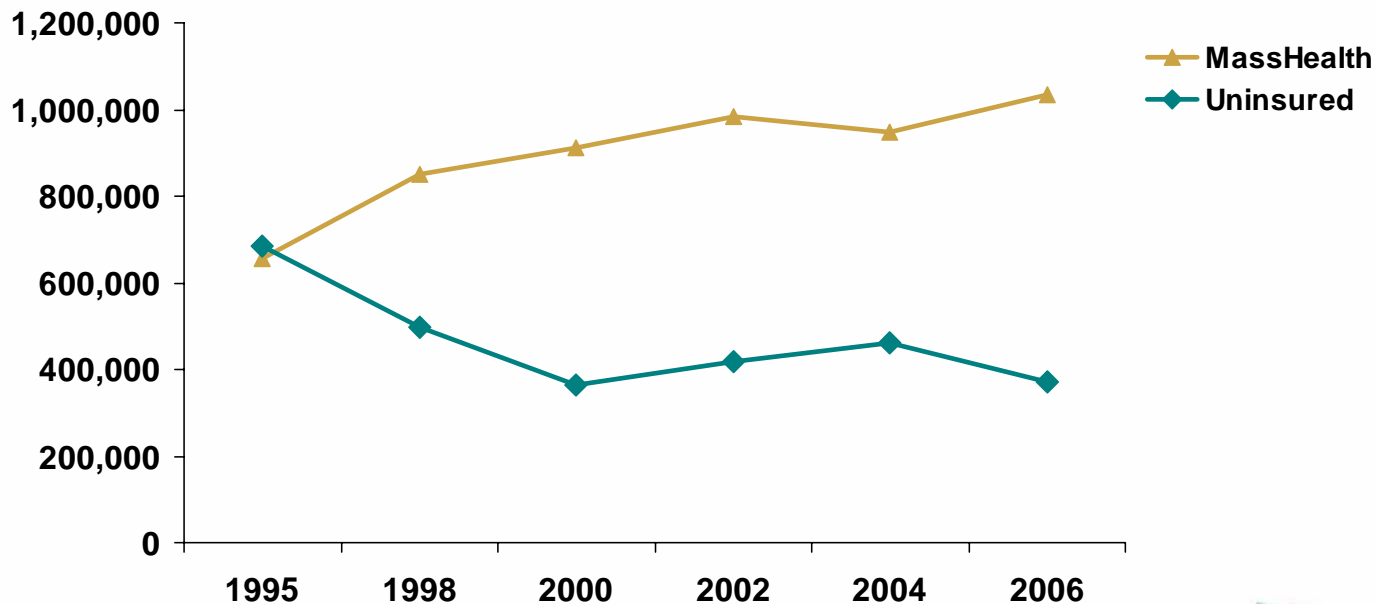
Medicaid Basics

MassHealth Overview

- Public health insurance program covering 1,091,000 Massachusetts residents
 - 17 percent of state's population
- State administered subject to federal rules
 - “Medicaid” = “MassHealth”
 - Title 19 (Medicaid) and Title 21 (SCHIP)
 - Mandatory and optional populations
 - Mandatory and optional benefits
- Program costs shared by federal government
 - 50% for Medicaid and 65% for SCHIP

What is MassHealth Today?

- Provides health coverage to a broad cross-section of Massachusetts residents
- A major factor in low level of uninsured
- Central to structure of health reform and critical to its success

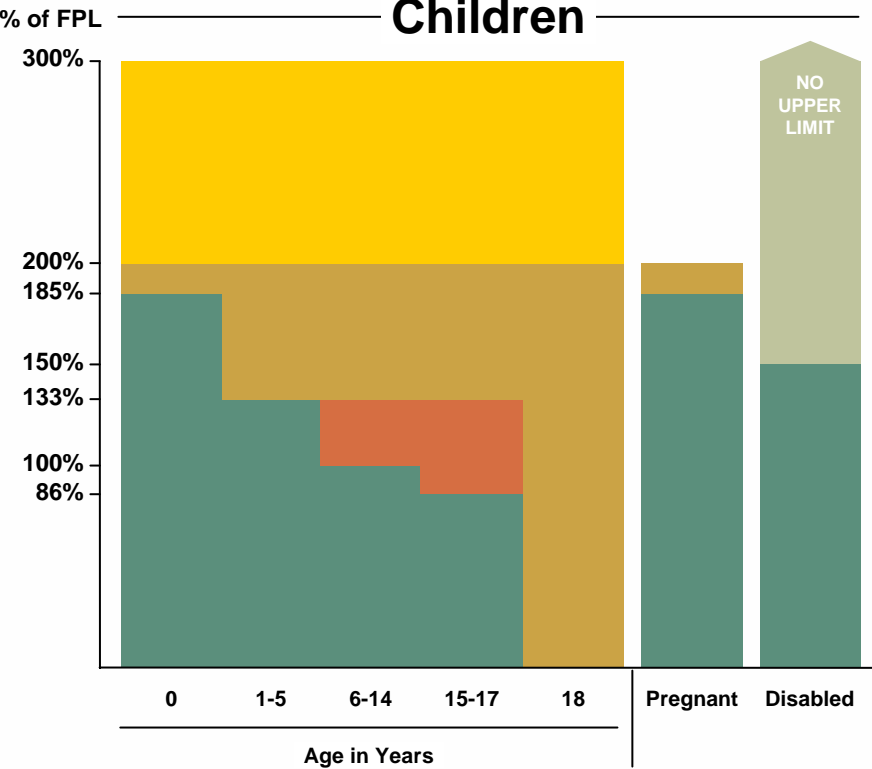


Who is Eligible?

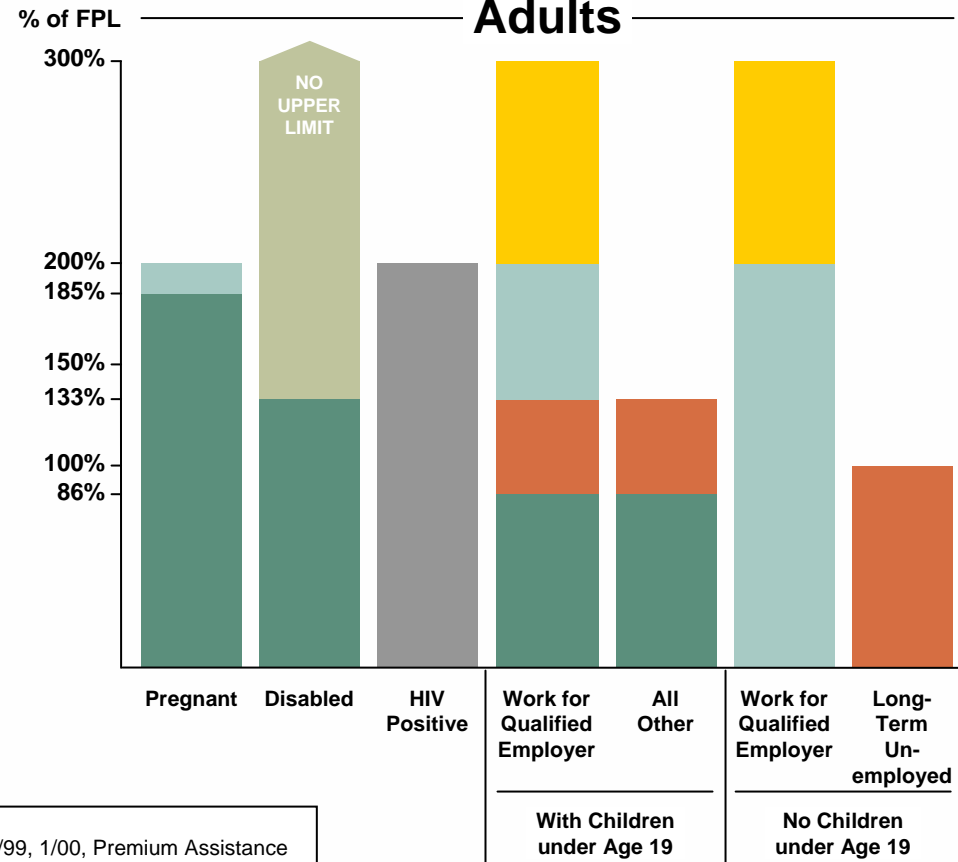
- Low-income children and their parents
- Pregnant women, people with HIV/AIDS, women with breast or cervical cancer
- Seniors and long-term unemployed adults, at lower income levels
- Low-wage employees of qualified employers
- People with disabilities may “buy in” at higher income levels

MassHealth Eligibility Overview

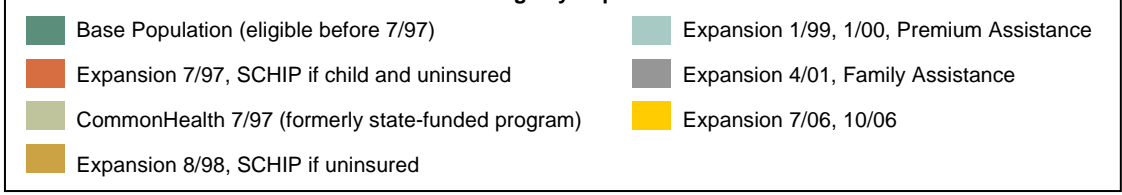
Children



Adults



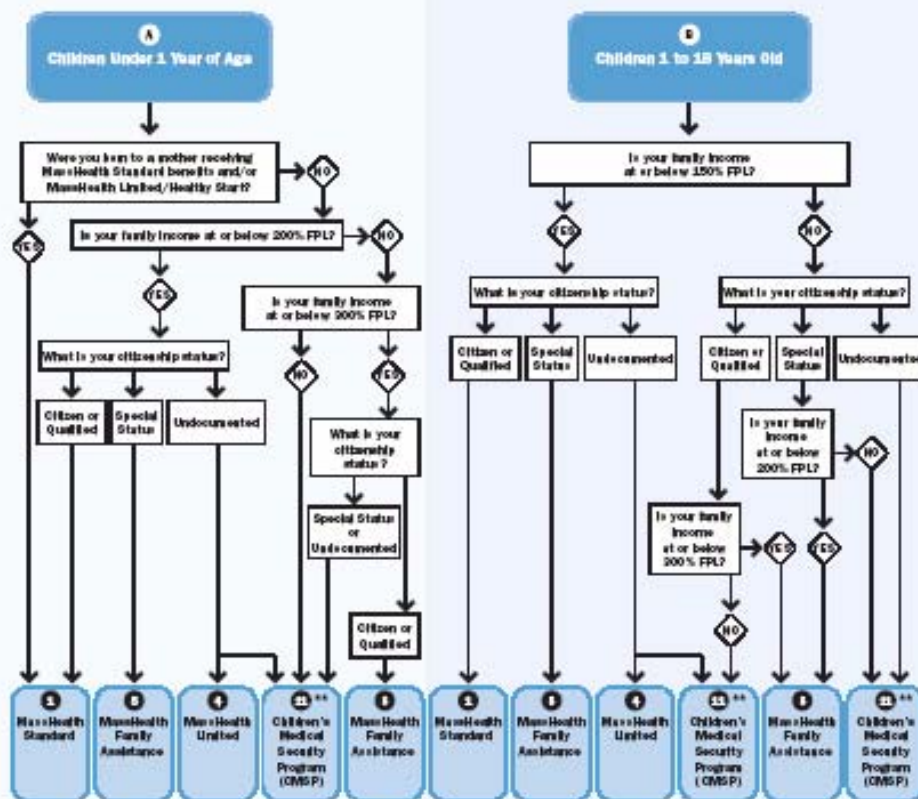
Coverage by Expansion



Source: EOHHS

Children Under Age 19, Parents/Caretakers, and Pregnant Women of any Age*

*Individuals who are not institutionalized and do not need long-term care services



ADDITIONAL OPTIONS FOR THOSE WHO DO NOT QUALIFY:

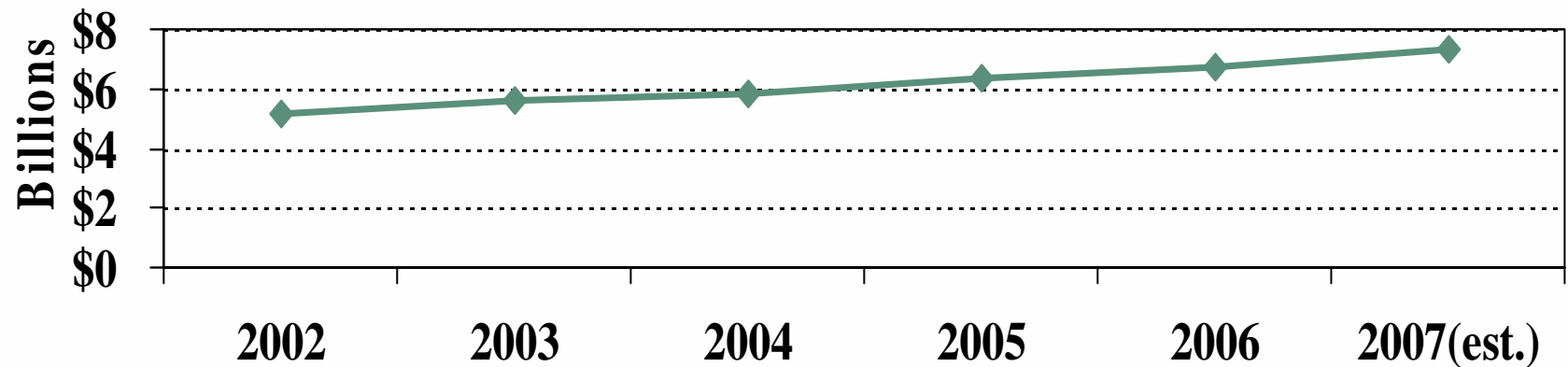
HOSPITAL and COMMUNITY HEALTH CENTER CHARGES: "Free Care" through the Unaccompanied Care Pool (UCP) if $\leq 200\%$ FPL, partial coverage if between 201-400% FPL, and medical health care assistance for those who qualify if $\leq 400\%$ FPL

** If family income is at or below 400% FPL, can also qualify for residential care through the UCP.

Covered Services

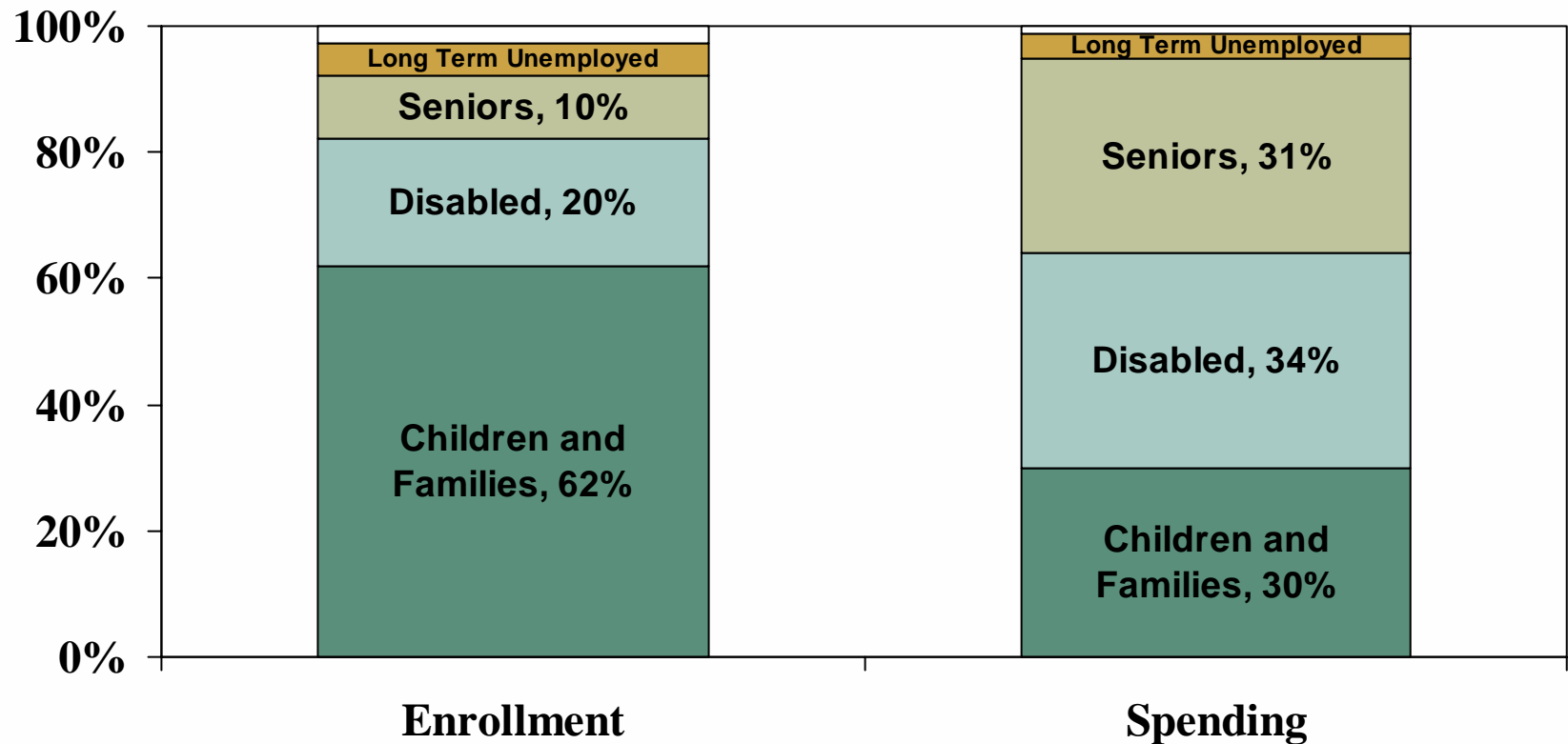
- Federally required: hospital, physician, skilled nursing facilities, home health care
- Optional services: 25 of 30, including prescription drugs, ICF/MR, personal care attendants

MassHealth Spending

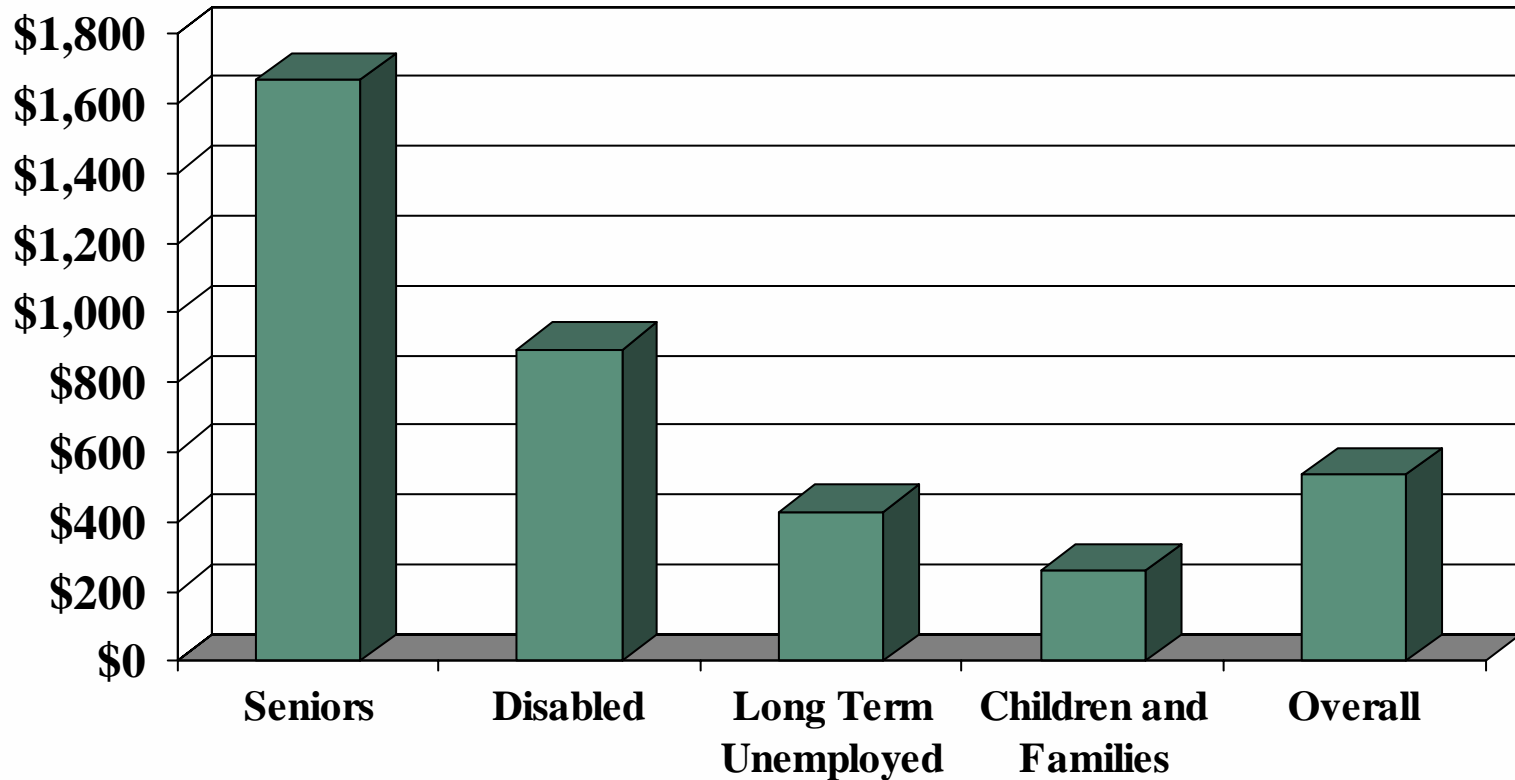


- Estimated \$7.4b for FY 2007
- About 26% of FY07 budget
- BUT offset by federal reimbursement
 - Est. \$4.4b across entire state budget

MassHealth Spending

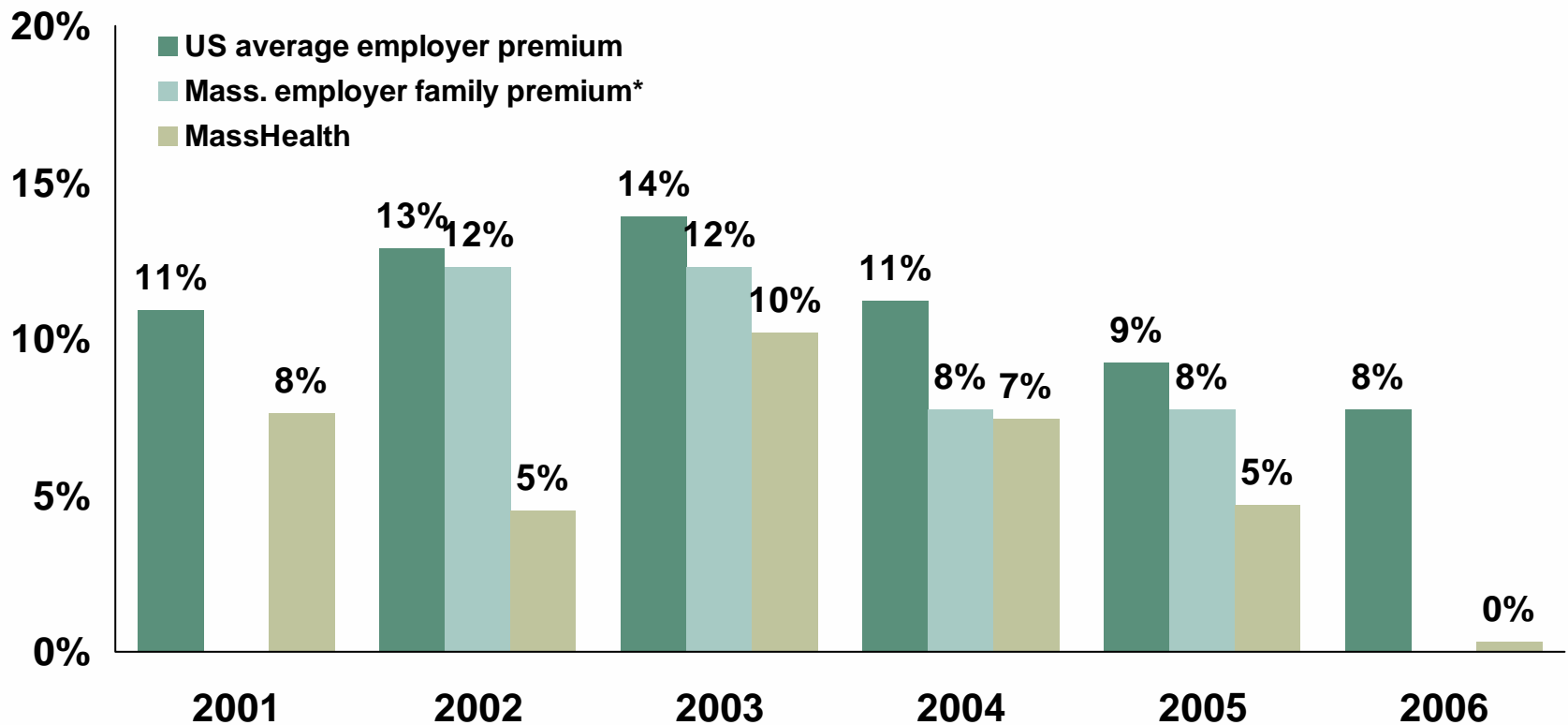


MassHealth Spending PMPM, FY 2006



MassHealth Spending Is Growing More Slowly Than Employer Premiums

Annual Change in Per Member Costs 2001 - 2006



Source: National premium data from Kaiser Family Foundation (national averages)..
MassHealth figures from EOHHS. Mass. premium information from DHCFP (*biannual)

How Health Reform Affects MassHealth & Vice-Versa

Medicaid Research & Demonstration Waivers

- Medicaid: State run, state- and federally-financed
- Medicaid waivers allow states to operate Medicaid program in ways that federal rules would not ordinarily allow
- MassHealth waiver: originally approved in 1995; implemented in 1997
- MassHealth is a demonstration program to reduce the number of uninsured and the cost of their care, and to get federal funding for existing state health programs
- MassHealth covers most non-elderly people in the Massachusetts Medicaid program

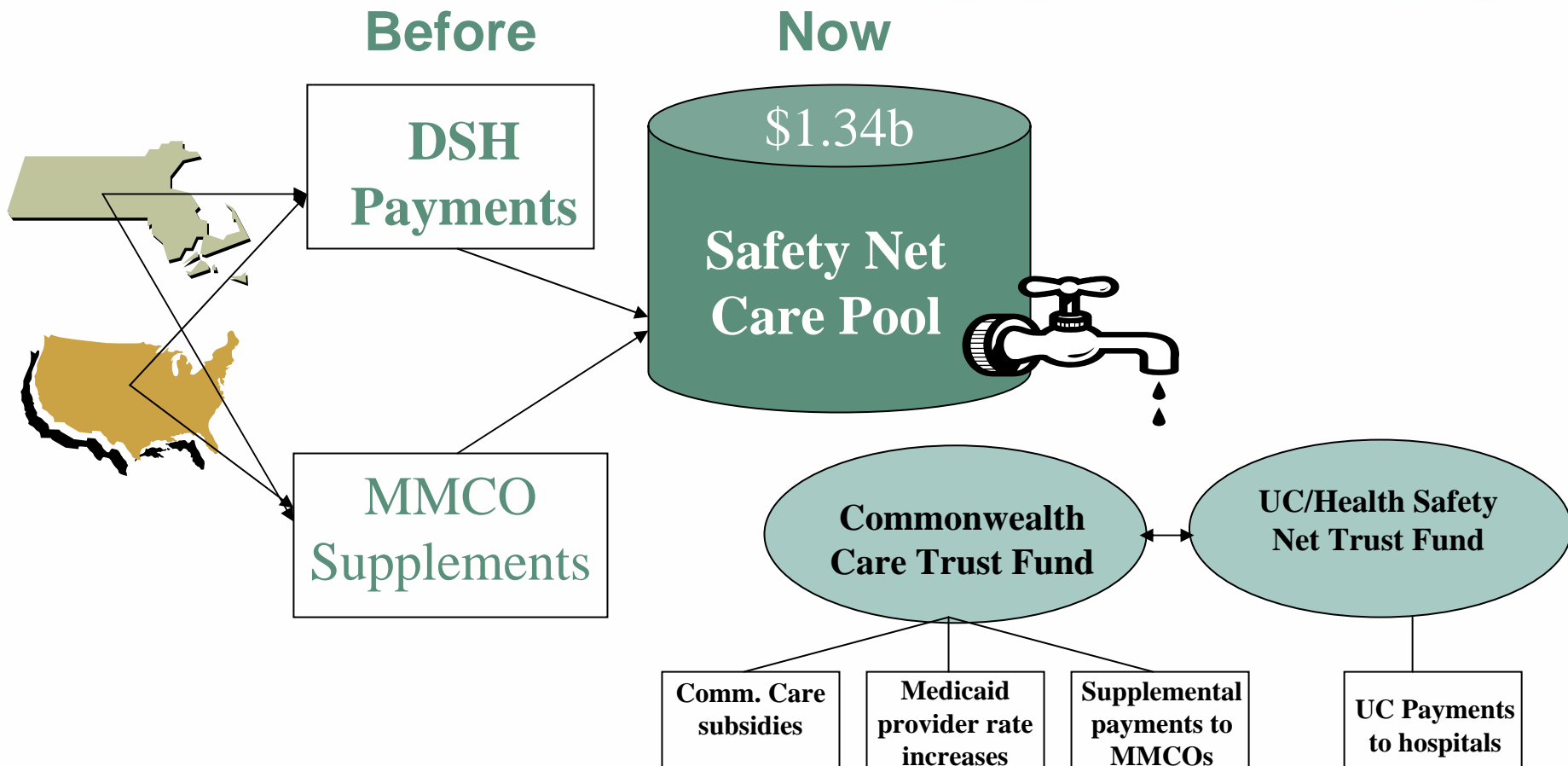
Provisions of the MassHealth Waiver

- New eligibility categories and expanded income limits for existing categories
- Increased the number of Medicaid enrollees in managed care
- Authorized federal matching funds for expenditures not ordinarily eligible
- Supplemental payments to Medicaid MCOs and safety net hospitals
- Generous budget neutrality trend rates (until recent renewal)

Massachusetts Health Care Reform Connections with Medicaid

- FY2006 waiver renewal required new measures to promote expanded coverage
- Law went beyond; seeks “near-universal” coverage
- Financed in great part by state and federal dollars in MassHealth waiver; “Safety Net Care Pool”

“Safety Net Care Pool”



The Policy Outlook for MassHealth

Issues, Opportunities and Challenges

Context:

- Central to State's health care system and social goals
- Large part of the state budget
- Great scrutiny of program and spending
- Traditional methods of cutting costs undercut coverage objectives
- Federal involvement
- Some policy areas are ripe for development and progress

Renewing the MassHealth Waiver

- Critical to continuation of health care reform
 - Proposal must be filed as early as July 1, 2007
- Need to demonstrate
 - Reduction in the uninsured
 - Reduced spending on uncompensated care
 - Spending within the budget neutrality standard
- Need to obtain federal agreement for continued financial support

Improving Value Through Purchasing

- Use MassHealth MCOs more effectively
 - set MCO policy and goals
 - reprocure MCO contracts
- Manage MassHealth spending trends
 - better care management
 - use performance to guide rate increases
 - improve use of data
 - implement new models of care delivery

Rebalancing Long Term Care

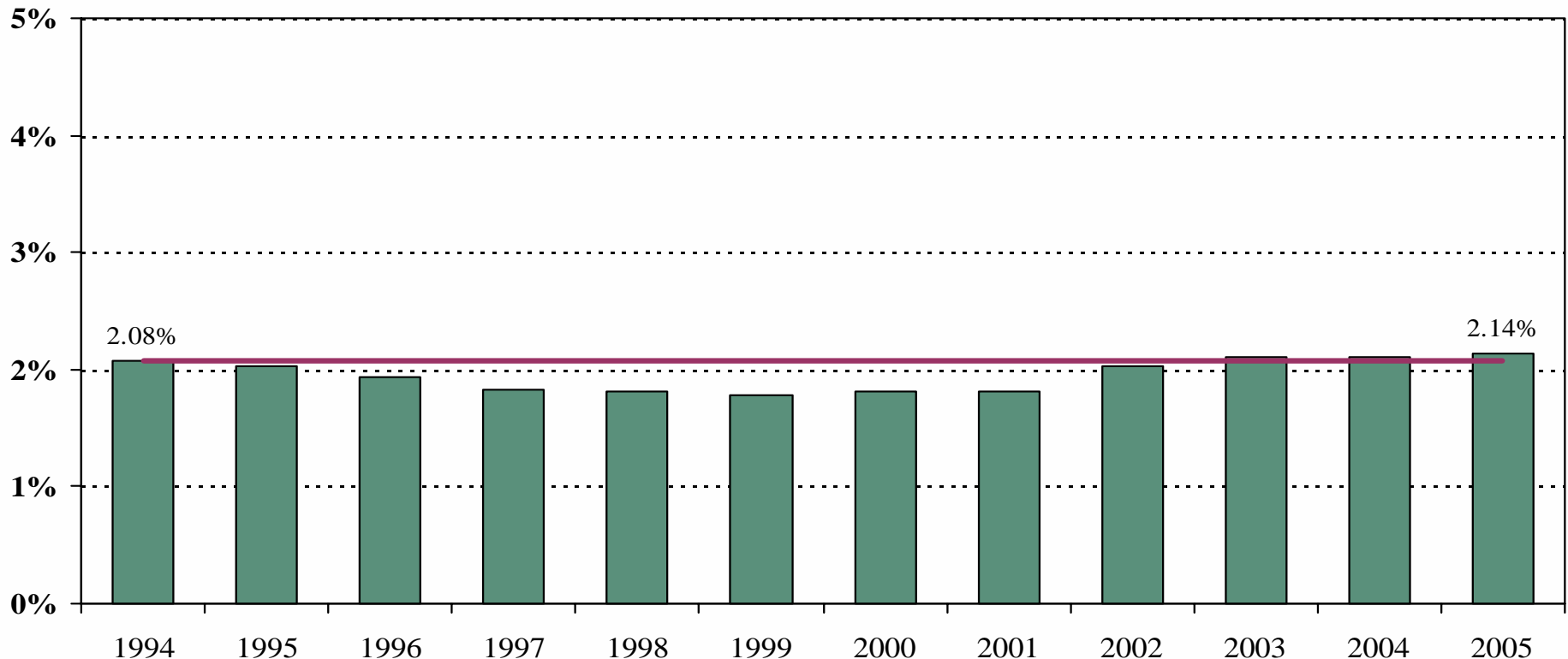
- Expand access to community based services as an alternative to institutions
 - Community First initiative
 - Equal Choice law
 - New federal options
- Coordinate funding sources for dually eligible populations (seniors and disabled)
 - SCO
 - Other innovative models

Leadership and Staff Support

- Refine the EOHHS reorganization and develop stronger matrix management
- Strengthen the Medicaid administrative function
- Address staff turnover and understaffing
- Implement new systems

Fiscal Note: Medicaid Spending Has Changed Little as a Share of Massachusetts Economy

■ Medicaid Spending as a Share of Personal Income



Source: Mass. Budget and Policy Center/MMPI, *MassHealth and State Fiscal Health: A New Look at the Effects of Medicaid Spending on State Finances*

For More Information

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History

MMPI PUBLICATIONS

Reports
Fact Sheets
Presentations

NEWSROOM

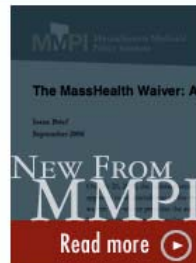
MassHealth in the News
MassHealth Calendar

RESOURCES

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Massachusetts Medicaid News from Community Partners

More state residents have insurance

Results of bi-annual survey show reduction in uninsured residents.

[read more](#)

New guide simplifies search for health coverage options

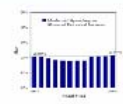
Pathways now includes Commonwealth Care eligibility information.

Data Points of Interest



Enrollment: The recent jump in July reflects the start of the MassHealth expansions in the health reform law, which took effect in July. About 12,000 children and 9,000 long-term unemployed adults have been added to the rolls since June.

[View Larger Chart >>](#)



Medicaid spending growth is in line with growth in the state's economy over the past decade

[View Larger Chart >>](#)
[Read Report >>](#)

Analysis from MMPI

The MassHealth Waiver: An Update

This issue brief looks at the terms and conditions of the MassHealth waiver that will run through FY 2008, as it was approved this past July.

[Read More >>](#)

MassHealth and the Deficit Reduction Act of 2005: New Proof-of-Citizenship and Asset Rules

On June 18, 2004 the Massachusetts Legislature approved the Joint Legislative Conference Committee Annual Budget Report for Fiscal Year 2005, which began July 1, 2004.

[Read More >>](#)

[CLICK HERE TO VISIT THE STATE
GOVERNMENT MASSHEALTH SITE](#)

www.massmedicaid.org