

# MassHealth Cost Containment

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January 14, 2015



# Agenda for Today

- MassHealth Programs
- MassHealth Eligibility and Benefits
- Delivery Systems and Caseload
- Cost Containment Strategies
- Targeted MassHealth Initiatives
- Chapter 224
- ACO Development



# MassHealth Programs

- **Medicaid** is a state and federal partnership program authorized by Title XIX of the Social Security Act (SSA) to provide coverage of health services for certain low-income populations
- The **State Children's Health Insurance Program (CHIP)** is a state and federal partnership program authorized by Title XXI of the SSA for children with incomes too high to qualify for Medicaid
- In Massachusetts, Medicaid and CHIP are operated together as **MassHealth**. Members eligible for both programs view their coverage as MassHealth coverage.



# MassHealth Eligibility and Benefits

## Eligibility

- Individuals and families under age 65 are generally eligible if they have incomes below 133% of the Federal Poverty Level (FPL) (about \$15,521 for an individual, or \$26,560 for a family of three)
- MassHealth also covers certain groups at higher income levels, including:
  - Children up to 300% FPL
  - Pregnant women up to 200% FPL
  - Individuals with a disability
    - Certain groups who meet a one-time deductible at various income levels up to 250% FPL
    - Certain working individuals with higher incomes can pay premiums to access MassHealth
- Individuals age 65+ are eligible up to 100% FPL
- Current enrollment:
  - Children: 591,985
  - Adults: 719,029
  - Disabled individuals: 251,057
  - Individuals in nursing facilities: 24,675
  - Seniors: 135,153

## Benefits

- Members in Standard, CommonHealth, Family Assistance, and CarePlus can access benefits including: preventive care, behavioral health services, outpatient and inpatient services, reproductive health care, prescription drugs, chronic disease management
- Seniors, children and adults with disabilities, and individuals who identify as “medically needy” may also be eligible for additional services, such as long-term services and supports, depending on their eligibility category
- If individuals have access to insurance through an employer, MassHealth may be able to help pay for the premiums, and/or provide additional “wrap-around” services

## MassHealth

- **Fee For Service (FFS) Program-** MassHealth reimburses providers directly for services provided to members; prior authorization and/or clinical criteria typically apply. 652,663 members
- **Managed Care Organizations (MCO)-** are paid a capitation from MassHealth to administer benefits for children, families, certain individuals, and disabled adults. Benefits include but are not limited to acute and emergency services, inpatient and primary care, behavioral health, and preventive care. 520,774 members
- **CarePlus Program:** a new MCO program serving individuals newly eligible for Medicaid as a result of reforms made by the Affordable Care Act. 252,862 members
- **Primary Care Clinician Plan (PCC) -** A managed care option through which enrolled MassHealth members receive health services in a primary care case management model. Primary Care Clinician Plan enrollees receive behavioral health services from a certified behavioral health managed care organization. 322,476 members

## Coordinated and Integrated Care Delivery Options For the Elderly and Disabled

- **Program of All-inclusive Care for the Elderly (PACE)-** voluntary site-based coordinated care program for individuals ages 55 and older at nursing facility level of care, designed to keep individuals out of nursing homes and in the community. 2,987 members
- **Senior Care Options (SCO)-** voluntary coordinated managed care plan for individuals ages 65 and older. 34,733 members
- **One Care-** A voluntary managed care program for disabled individuals ages 21-64, with a focus on patient-centered, coordinated care. Massachusetts was the first state to launch a capitated Financial Alignment Demonstration to integrate Medicare and Medicaid (One Care). 17,733 members

# Cost Containment Strategies

## Managed Care Organizations (MCO) and CarePlus:

- Manage care for higher cost beneficiaries
- Wellness Initiatives that promote access to such services as tobacco cessation programs and nutrition programs

## Primary Care Clinician Plan (PCC):

- The Integrated Care Management Program (ICMP) for members under 65 years of age is designed to support the most efficient use of services through coordination of care that provides:
  - Increased support for members who have complex medical and/or behavioral health care needs and whose overall health care may benefit from the assistance of a care manager; and
  - Increased support for the providers that regularly manage their care

## One Care:

- Reduce high cost emergency room and acute care utilization
- Provide diversionary behavioral health services
- Increase access to community supports and services

## Senior Care Options (SCO):

- Reduce the need and length of stay in skilled nursing facility care through payment structure that incentivizes home and community based settings



# Targeted MassHealth Initiatives

## Health Homes

- Developing an initiative to target members with serious and persistent mental illness and children with severe emotional disturbance
- Provider teams would address all of a member's health needs by offering care management services including: coordination, health promotion, individual and family support, referrals to social and community support

## Children's High-Risk Asthma bundled payment program

- An initiative for MassHealth PCC Plan members ages 2-18 years of age. The Program's objective is to develop a bundled payment system for high-risk pediatric asthma patients. CHABP is designed to reduce preventable hospital admissions and emergency room utilization, by providing patient education, home visits, and mitigation of asthma triggers.

## Primary Care Payment Reform Initiative (PCPR)

- Intended to improve patient access, experience and quality of care by integrating behavioral health and primary care. Capitated payments incent providers by giving them flexibility to provide high-value coordinated care

## Money Follows the Person (MFP)

- Federal demonstration providing enhanced federal match to transition elders and people with disabilities out of facility based settings and into community based settings

## Pay-for-Success Program to Address Chronic Homelessness:

- A pilot program that will help approximately 500-800 chronically homeless individuals obtain and retain stable housing. MassHealth will use alternative payment methodology to deliver supportive housing services that help participants succeed in maintaining their lease agreements and connect them with other health care and social services.



# ACO Development and Chapter 224

## Chapter 224 of the Acts of 2012

- Mandated MassHealth transition its providers to Alternative Payment Methodologies (APM)
- Established benchmarks for MassHealth Members to be in plans or provider relationships reimbursed through APMs, with:
  - 25% of members enrolled in an APM plan by July 1, 2013
  - 50% of members enrolled in an APM plan by July 1, 2014
  - 80% of members enrolled in an APM plan by July 1, 2015

Accountable Care Organizations (ACO) are the main strategy being deployed by MassHealth in response to Chapter 224

- Groups of Primary Care, Specialty and Behavioral Health providers who band together to provide the full spectrum of care to an individual
- Balanced with member choice in where and from whom they get their care
- Full responsibility for members' health needs
- Providers will share financial risk of additional costs or reward of savings generated by the ACO