FY2017 GENERAL APPROPRIATIONS ACT BUDGET FOR MASSHEALTH (MEDICAID) AND HEALTH REFORM PROGRAMS

BUDGET BRIEF
OCTOBER 2016

SUMMARY

On July 8, 2016, Massachusetts Governor Charlie Baker signed into law a $38.9 billion state budget for fiscal year (FY) 2017—simultaneously issuing line-item vetoes totaling $256 million and submitting a request for $279 million in supplemental FY2017 funding, including $112.7 million to cover MassHealth costs associated with updated caseload estimates, Hepatitis C drug coverage, Personal Care Attendant overtime spending, and other exposures.[1] Subsequently, the legislature overrode many of the governor's vetoes including all $39 million associated with health care line items. The new budget is the result of months of work by the Republican Governor and Democratic-controlled legislature. State budget writers rushed to close an estimated $750 million shortfall that opened when estimates of FY2017 tax collections were lowered in June, just before the beginning of the new fiscal year.

The FY2017 General Appropriations Act (GAA), as the enacted budget is known, includes $16.9 billion for MassHealth and other publicly subsidized health care coverage programs as summarized in the table below. Overall, the GAA holds total health care coverage spending to roughly the same level as FY2016; however, this level spending is due

1 The Administration states that the additional $112.7 million in MassHealth spending will be offset by $101.6 million increase in revenue, mostly connected to Hepatitis C drugs. The additional $112.7 million in requested funding is not reflected in the FY2017 budget totals included herein and has not been approved by the Legislature as of publication.

TABLE 1: MASSHEALTH AND HEALTH REFORM BUDGET SUMMARY

	FY2016 Estimated Spending	FY2017 GAA	Change	
EOHHS/MassHealth	**$16,213,130,287**	**$16,215,983,699**	**$2,853,412**	**0.0%**
• **MassHealth Programs**	$14,850,338,448	$15,286,553,833	$436,215,385	2.9%
• **Provider Supplemental Payments***	$914,025,423	$462,000,000	$(452,025,423)	-49.5%
• **Delivery System Transformation Initiative***	$186,906,667	$196,252,001	$9,345,334	5.0%
• **EOHHS/MassHealth Administration****	$261,859,749	$271,177,865	$9,318,116	3.6%
Health Connector	**$223,089,779**	**$230,280,337**	**$7,190,558**	**3.2%**
• **ConnectorCare**	$197,661,954	$190,792,527	$(6,869,427)	-3.5%
• **Health Connector Administration*****	$19,000,000	$24,500,000	$5,500,000	28.9%
• **Other Health Connector Spending**	$6,427,825	$14,987,810	$8,559,985	133.2%
Health Safety Net †	**$360,000,000**	**$360,400,000**	**$400,000**	**0.1%**
• **Health Safety Net Program**	$349,000,000	$349,000,000	$0	0.0%
• **Health Safety Net Administration**	$11,000,000	$11,400,000	$400,000	3.6%
Center for Health Information and Analysis	**$31,140,523**	**$28,131,406**	**$(3,009,117)**	**-9.7%**
Health Policy Commission ††	**$0**	**$8,479,800**	**$8,479,800**	**100.0%**
Other Health Reform Administration	**$9,215,757**	**$9,915,757**	**$700,000**	**7.6%**
• **HIT Trust Fund and Integrated Eligiblity System**	$8,153,272	$8,853,272	$700,000	8.6%
• **Health Care Access Bureau**	$1,062,485	$1,062,485	$0	0.0%
TOTAL	**$16,836,576,346**	**$16,853,190,999**	**$16,614,653**	**0.1%**

Expenditures are reported in gross amounts. Actual state fiscal impactis net of federal reimbursements on eligible Medicaid (Title XIX) and CHIP (Title XXI) expenditures.
The table does not include expenditures associated with certain other programs and services eligible for federal reimbursement under the MassHealth 1115 Demonstration Waiver including Designated State Health Programs (DSHP), payments to DPH- and DMH-owned hospitals, and Institutions for Mental Disease. Note, however, that expenditures associated with the Children's Medical Security Program, a DSHP-eligible program, are included under MassHealth Program spending in this table.

* Provider Supplemental Payments and Delivery System Transformation Initiative: Amounts reflect operating budget transfers from the General Fund to the Medical Assistance Trust Fund (MATF) and Delivery System Transformation Initiative (DSTI) Incentive Fund to support provider supplemental payments and DSTI incentive payments. For details on sources and uses of MATF and DSTI Incentive Fund monies, see Appendix B.
** EOHHS/MassHealth Administration: Expenditures include a subset of line-items funding auditing, operations, and payment reform activities, as well as EOHHS-wide administrative line items. For a complete list of the administrative line-items included herein, see Appendix A.
*** Health Connector Administrative: Expenditures reported in the table are net of federal grants, carrier revenue, miscellaneous revenue, and other reserves.
† Health Safety Net (HSN) spending reported reported on a Hospital Fiscal Year basis (October through September).
†† Health Policy Commission (HPC) administrative expenditures were funded from off-budget sources in FY 2016. Beginning in FY 2017, HPC administrative expenses will be funded through an appropriation that is fully assessed on the health care industry.

Sources: Massachusetts Executive Office for Administration and Finance, Massachusetts House of Representatives, Massachusetts Senate.

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to significant reductions in spending on provider supplemental payments and there are modest spending increases in other areas, such as a 2.9 percent increase in spending for MassHealth programs.[2]

An analysis of the GAA by the Massachusetts Medicaid Policy Institute (MMPI) shows projected spending as follows: $16.2 billion by the Executive Office of Health and Human Services (EOHHS) and MassHealth, $230.3 million by the Health Connector, and $360.4 million by the Health Safety Net Trust Fund for health care services for the uninsured or underinsured. The table on page 1 provides a summary of major program areas and projected expenditures associated with MassHealth and other health reform activities.

FY2017 GENERAL APPROPRIATIONS ACT

MassHealth

The MassHealth FY2017 budget reflects a variety of assumptions, programmatic changes, and savings initiatives that budget writers say will contain MassHealth spending growth, as summarized below:[3]

■ *Managed Care Program Changes*

Enrollment. The budget assumes an average enrollment in MassHealth of 1.89 million, up 2 percent from 1.86 million in FY2016. This assumes that caseload growth will be consistent with historic enrollment trends prior to implementation of the Medicaid expansion authorized under the Affordable Care Act.

Managed Care Organization Fixed Enrollment Period Policy. Beginning October 1, 2016, the Administration will implement a 12-month fixed enrollment period for MassHealth MCO members after a 90-day plan selection period. After this initial 90-day period, members may seek to disenroll in special circumstances, but are not able to disenroll without cause until the 12-month enrollment period (from their date of enrollment) is over. At the end of the 12-month enrollment period, members will receive a new 90-day plan selection period, in which they may enroll in another option. Currently, MassHealth does not have a fixed enrollment period policy, and members who either choose or are assigned to an MCO may transfer to the PCC Plan or another available MCO in their geographic service area at any time for any reason. This proposal seeks to promote care coordination through one MCO for a 12-month period. There are a number of special circumstances under which members will be able to switch plans within the 12-month fixed enrollment period, including members moving out of the MCO's coverage area, members not having access to providers who can meet their specific health care needs, and members not having their communication and accessibility needs met by the MCO.

Senior Care Options and One Care Enrollment. The Administration plans to implement passive enrollment (with the ability to opt-out) in the Senior Care Options (SCO) program and to continue passive enrollment in the One Care program. A timeline for implementation of these passive enrollment processes has not yet been announced, but the Administration has indicated they will be developed with input from the stakeholder community. To date, SCO has been a voluntary opt-in program with a total enrollment of 42,719 at the close of FY2016. One Care enrollment peaked with more than 18,000 enrollees in July 2014 when the last major round of passive enrollment occurred. Since then, enrollment in One Care has declined, and the program experienced a major decrease to less than 13,000 in September 2015 when one of three health plans ended its participation in the program. Several smaller rounds of passive enrollment into One Care were supported by new outreach efforts in local communities and in partnership with providers during FY2016, and are expected to continue during FY2017.

Managed Care Reimbursement. The GAA assumes relatively flat growth in managed care capitation rates for MCOs,[4] the PCC Plan behavioral health program contractor, and SCO, with $1 million directed to be spent on increased rates for behavioral health providers through the PCC Plan.

■ *Long-Term Services and Supports*

Home Health. MassHealth spending on home health services grew by $170 million from FY2015 to FY2016, representing 41 percent growth in one year. As a result, EOHHS implemented a moratorium on new health home providers effective February 1, 2016, and referred 12 home health agencies to the Medicaid Fraud Unit within the Attorney General's Office for investigation because these providers' growth patterns and other factors suggested fraud may be occurring. Additionally, EOHHS implemented prior authorization requirements and other program integrity efforts, including conducting audits on certain home health providers, for home health services. Other programmatic changes announced as part of the Governor's budget proposal include tightening referral requirements by clinicians affiliated with a home health agency.

Spouses as Caregivers. Section 181 of the GAA directs the Office of Medicaid to submit by December 1, 2017 a feasibility report on the inclusion of spouses as a family member authorized to serve as paid caregivers.

LTSS Third-Party Administrator. As part of the governor's budget proposal released in January, EOHHS announced that it was investigating other options to streamline administrative and clinical processes, efficiencies, and organization related to LTSS, leading to a request for responses (RFR) on July 1 for a third-party administrator (TPA) to augment EOHHS administrative capacity to administer LTSS provider-facing activities. Bidder responses were received in August, and EOHHS plans to complete contracting by November with implementation to occur in early 2017. The TPA's responsibilities will be implemented in two phases and encompass the following functions: provider enrollment and relations, prior authorization and utilization management, program integrity, quality improvement, reporting and informatics, claims adjudication, and electronic visit verification.

2 For detailed analyses of the FY2017 budget proposals for MassHealth and health reform programs put forward by the Governor, House of Representatives, and Senate, see MMPI's budget briefs, available at http://bluecrossmafoundation.org/tag/publication-collection/budget-briefs.

3 For a detailed analysis of the governor's budget proposal, see MMPI's budget summary http://bluecrossfoundation.org/publication/governor%E2%80%99s-fy2017-budget-proposal-masshealth-medicaid-and-health-reform-programs.

4 A supplemental budget filed by the governor on July 8th includes additional funding for MCO rates aimed at covering the cost of increased utilization of Hepatitis C treatment for MCO members. As of publication, the legislature has not yet acted upon this supplemental budget request.

Nursing Home Rates. The GAA includes a $45 million rate increase for nursing facilities including $35.5 million to fund a rate add-on for wages, benefits, and related employee costs of direct care staff of nursing homes and $2.8 million for a MassHealth Nursing Facility Pay-for-Performance Program. Pending federal approval, the nursing home rate increase will be supported by an increase to the current $220 million assessment on nursing facilities.

Hospital Payments

Hospital Assessment. While not in the GAA, a health care pricing bill[5] signed into law in May increases an existing assessment on acute hospitals by $257.5 million on October 1, 2016. The additional $257.5 million assessment will be deposited into a newly created MassHealth Delivery System Reform Trust Fund intended for Medicaid payments to support delivery system reform efforts authorized under a new 1115 Medicaid Waiver effective July 1, 2017. Under the assessment, some hospitals will get back more than they pay in, while other hospitals will contribute more than they receive back in Medicaid payments. The GAA sunsets the $257.5 million increase on June 30, 2022 to coincide with the anticipated end of the five-year 1115 Medicaid waiver. The increased assessment will begin on October 1, 2016 and result in proceeds of $193 million in state FY2017 (covering nine months of the year). Generally, spending from the fund will be for making Medicaid payments, including enhanced service payments and incentive payments, to providers or care organizations as part of delivery system reform efforts. However, in FY2017, the GAA transfers $73.5 million from the trust fund to the General Fund to avoid further budget cuts during FY2017.

Delivery System Transformation Initiative. Under the state's current 1115 Waiver, Massachusetts operates an annual performance-based incentive program called the Delivery System Transformation Initiative (DSTI) to support and reward seven safety-net hospitals. While the governor's FY2017 budget proposal increased state appropriations for DSTI funding from $189.1 million to $205.6 million (a 10 percent increase), the GAA only included $196.3 million (a 5 percent increase). (See Appendix B, Table B4, for a table of sources and uses from the DSTI Fund.)

Infrastructure and Capacity Building Grants. The GAA authorizes, but does not mandate, spending on infrastructure and capacity building grants to hospitals and community health centers.

High Acuity Patient Supplemental Payments. The GAA included an earmark for $7.4 million in supplemental hospital payments for high acuity pediatric patients.[6]

Other MassHealth Spending

Hutchinson Settlement. The GAA includes an increase of $22 million in funding for community support services for persons with acquired brain injury who were residing in long-term care facilities in accordance with the Hutchinson v. Patrick final settlement agreement.

Maximizing Premium Assistance. The GAA assumes MassHealth will implement new mechanisms to identify and leverage other private insurance that may be available to MassHealth members. Currently MassHealth conducts investigations to identify available employer-sponsored insurance. During FY2017, MassHealth plans to extend this to include student coverage available through universities and colleges, assuming approval by the Centers for Medicare and Medicaid Services (CMS) of this change via an amendment to the Medicaid State Plan and the state's 1115 waiver extension request. As with current MassHealth premium assistance programs, MassHealth will determine if purchasing the other coverage is more cost effective to the state than providing the coverage directly. MassHealth will provide wrap-around coverage for any benefits the person is entitled to under MassHealth that are not covered through the private insurance.

Non-Emergency Transportation. EOHHS anticipates savings associated with enhanced oversight to ensure efficiency and medical necessity for non-emergency transportation for certain MassHealth populations.

Cash Management. In order to address MassHealth deficiencies in prior years, program administrators have delayed payments to providers and health plans— effectively pushing spending from one fiscal year to the next—for example, June capitation payments for some programs are pushed into July. This creates savings the first fiscal year in which it is done, as fewer payments are made than budgeted. The GAA does not include funds to reverse these historic payment policies. Since passage of the GAA, MassHealth budget staff have indicated that FY2017 hospital high public payer payments and FY2016 MCO risk corridor payments will be pushed into FY2018.

Primary Care Workforce Development Grant Program. The GAA includes a $1 million earmark for community health centers with family medicine residency programs in Fitchburg, Worcester, Lawrence, and South Boston.[7]

Earmarks. The GAA includes the following earmarks:

- $2.4 million for Hale Hospital
- $1,000,000 for a western Massachusetts hospital to increase efficiencies and prepare for health system reform under the state's new 1115 Medicaid Waiver
- $250,000 for the Brookline Community Mental Health Center's Healthy Lives program
- $100,000 for the MetroWest Free Medical Program
- $100,000 for the Edward M. Kennedy Health Center to train community health workers
- $100,000 Martha's Vineyard Community Services to increase access to health and human services on Martha's Vineyard and Nantucket
- $50,000 for a pilot program in Norfolk County for home health care nurses to work with patients with rare diseases and disorders

5 See Chapter 115 of the Acts of 2016

6 Boston Children's Hospital, Shriner's-Boston, Shriner's-Springfield, and Tufts Medical Center receive payments for high acuity pediatric patients.

7 See line-item 4000-0700, which states, "provided further, that the funds appropriated in item 4000-0265 of section 2A of chapter 142 of the acts of 2011 shall again be appropriated for the same dollar amount as in said item 4000-0265 and shall be distributed in and managed in the same manner as designated in section 60 of chapter 118 of the acts of 2012."

- $50,000 for a MassHealth liaison to the Trial Court
- $25,000 Baystate Noble Hospital for entranceway access

Chiropractic Services. The fee-for-service line item (4000-0700) requires that MassHealth maintain the same level of chiropractic services that were in effect in FY2016 for members enrolled in the PCC Plan.

Adult Dental Services. By March 1, 2017, MassHealth is to submit a study on adult dental benefits to the house and senate committees on ways and means. In addition, line item 4000-0700 of the GAA requires MassHealth to maintain full-year coverage for adult dental fillings and adult denture coverage.

Health Safety Net Trust Fund

The HSN Trust Fund maintains a health care safety net by reimbursing hospitals and community health centers for a portion of the cost of reimbursable health services provided to low-income, uninsured, or underinsured residents of the Commonwealth. Until recently, full reimbursement for care has been provided for people with incomes below 200 percent of federal poverty level (FPL), and partial reimbursement for people with incomes between 200 and 400 percent FPL. EOHHS is currently implementing changes to the HSN to reduce eligibility for full reimbursement to those with incomes below 150 percent FPL and for partial reimbursement to those with incomes between 150 and 300 percent FPL. As part of the regulatory changes, the Baker administration also reduced retroactive coverage for HSN from six months to 10 days and implemented presumptive eligibility. The GAA did not include a Senate budget provision which would have maintained previous HSN eligibility rules through April 1, 2017. The Legislature and Governor were not able to reach agreement on a section of the GAA that typically identifies an annual amount to be transfered from the Commonwealth Care Trust Fund to the HSN Trust Fund to support HSN reimbursable expenses. Without further legislative action to stipulate otherwise, Section 189(b) of Chapter 149 of Massachusetts General Law, remains in effect, and requires a $30 million transfer to the HSN Trust Fund in FY2017.

Health Policy Commission

Emergency Department Initiated Medication Assisted Treatment. Section 178 of the GAA includes an initiative that would create a two-year $3 million pilot program under the Health Policy Commission (HPC) to test a model of emergency department initiated medication assisted treatment for individuals suffering from substance use disorders.

Community Hospital Marketing Campaign. Section 179 of the GAA directs the HPC to develop a $500,000 community hospital marketing campaign to show the benefits to patients and employers of seeking care in local settings. The governor returned this section to the legislature with an amendment, which would require hospitals to provide matching funds. (No legislative action has been taken as of publication date.)

Center for Health Information and Analysis

The Center for Information and Analysis (CHIA), which monitors and reports on the health care finance system in Massachusetts and operates the state's All-Payer Claims Database, is financed through an assessment on hospitals and payers. CHIA was created by Chapter 224 of the Acts of 2012. The GAA funds CHIA at $28.1 million, $3 million less that in FY2016. The reduction is the result of lower estimates of access fee collections associated with third-party access to the state's All-Payer Claims Database. Note that Chapter 115 of the Acts of 2016 requires that $5 million of the $28.1 million CHIA appropriation must be transferred to the Community Hospital Reinvestment Fund, a mandate which has the effect of reducing funding available for CHIA operating expenses by $5 million.

Commonwealth Care Trust Fund

Massachusetts General Law directs a variety of revenues into the Commonwealth Care Trust Fund (CCTF) including cigarette tax revenue, individual tax penalties, and employer medical assistance payments. These revenues are used to support CCTF expenditures, including the ConnectorCare program. With the implementation of the ACA which shifted to MassHealth a large portion of the members previously receiving subsidized coverage through the Health Connector as well as the availability of federal tax subsidies for income-eligible individuals receiving health coverage through the Health Connector, the state's spending obligations from the CCTF have decreased—resulting in a projected surplus of revenues in the fund. Section 147 of the GAA allows a transfer of up to $110 million from the CCTF to the state's General Fund to support spending on other programs; however, the Executive Office for Administration and Finance estimates that there will be a surplus in the fund of approximately $56.8 million. (See Appendix B, Table B1: Commonwealth Care Trust Fund.)

Other Health-Related Proposals Excluded from the GAA

The GAA *did not* include several proposals that were included in previous versions of the budget, including:

Home Care Commission. Section 74 of the Senate budget, which was not included in the GAA, sought to create a special commission to make recommendations for the oversight and licensure of home health agencies.

Dental Hygiene Practitioner. The Senate budget proposed creating a new licensed provider type—dental hygiene practitioner. This new provider type, not included in the GAA, would have been reimbursed by MassHealth and other third-party payers for providing oral health care services.

MassHealth Estate Recovery. Unlike the governor's budget proposal, the GAA did not expand MassHealth's ability to recover benefits from the property of deceased members over age 55 and deceased members of any age who received long-term care services, but instead left unchanged the current estate recovery policy to recover only from probated estates and not to expand the recoverable benefits or the assets available from which to recover.

Addition of College Savings Accounts as Non-Countable Assets. The Senate budget sought to add tax exempt college savings accounts to the list of non-countable assets in the MassHealth program. This initiative was not included in the GAA.

APPENDIX A

Appendix A details on-budget funding for administrative and MassHealth program accounts.

TABLE A1: EOHHS AND MASSHEALTH ADMINISTRATION

		FY2016 Estimated Spending	FY2017 GAA	Change	
Total EOHHS/MassHealth Administration		**$261,859,749**	**$271,177,865**	**$9,318,116**	**3.6%**
4000-0300	**EOHHS and MassHealth Administration***	$85,974,577	$100,501,087	$14,526,510	16.9%
4000-0301	**MassHealth Auditng and Utilization Reviews**	$3,878,472	$0	$(3,878,472)	-100.0%
4000-0321	**EOHHS Contingency Contracts (Retained Revenue)**	$50,000,000	$53,750,000	$3,750,000	7.5%
4000-0328	**Medicaid State Plan Operations**	$0	$50,000	$50,000	100.0%
4000-1602	**MassHealth Operations**	$2,225,498	$0	$(2,225,498)	-100.0%
4000-1604	**Health Care System Reform**	$946,601	$0	$(946,601)	-100.0%
4000-1700	**Health and Human Services IT****	$118,734,601	$116,776,778	$(1,957,823)	-1.6%
4000-0014	**Edward M. Kennedy Community Health Center**	$100,000	$100,000	$0	0.0%

* Includes personnel and administrative expenditures to support the Office of the EOHHS Secretary and the Office of Medicaid.
** Supports EOHHS-wide IT costs.

Sources: Massachusetts Executive Office for Administration and Finance, Massachusetts House of Representatives, Massachusetts Senate.

TABLE A2: MASSHEALTH PROGRAM ACCOUNTS

		FY2016 Estimated Spending	FY2017 GAA	Change	
MassHealth Program Accounts		**$14,850,338,448**	**$15,286,553,833**	**$436,215,385**	**2.9%**
4000-0320	**MassHealth Recoveries (Retained Revenue)**	$225,000,000	$225,000,000	$0	0.0%
4000-0430	**MassHealth CommonHealth**	$155,245,515	$155,037,096	$(208,419)	-0.1%
4000-0500	**MassHealth Managed Care**	$5,265,099,978	$5,418,523,203	$153,423,225	2.9%
4000-0600	**MassHealth Senior Care**	$3,374,938,989	$3,516,116,093	$141,177,104	4.2%
4000-0640	**MassHealth Nursing Home Supplemental Rates**	$302,900,000	$347,900,000	$45,000,000	14.9%
4000-0700	**MassHealth Fee-for-Service Coverage**	$2,529,999,393	$2,377,838,433	$(152,160,960)	-6.0%
4000-0875	**MassHealth Breast and Cervical Cancer Treatment**	$6,011,459	$6,191,803	$180,344	3.0%
4000-0880	**MassHealth Family Assistance**	$318,400,776	$333,308,169	$14,907,393	4.7%
4000-0885	**Small Business Employee Premium Assistance**	$32,420,971	$34,042,020	$1,621,049	5.0%
4000-0940	**ACA Expansion Populations**	$2,001,728,778	$2,147,410,368	$145,681,590	7.3%
4000-0950	**Children's Behavioral Health Initiative**	$221,098,049	$236,377,183	$15,279,134	6.9%
4000-0990	**Children's Medical Security Plan**	$13,157,789	$17,471,111	$4,313,322	32.8%
4000-1400	**MassHealth HIV Plan**	$25,541,868	$27,374,419	$1,832,551	7.2%
4000-1420	**Medicare Part D Phased Down Contribution**	$329,388,324	$372,317,542	$42,929,218	13.0%
4000-1425	**Hutchinson Settlement**	$49,406,560	$71,646,393	$22,239,833	45.0%

Sources: Massachusetts Executive Office for Administration and Finance, Massachusetts House of Representatives, Massachusetts Senate.

APPENDIX B

Appendix B provides details on sources and uses of funding allocated through off budget trust funds.

TABLE B1: COMMONWEALTH CARE TRUST FUND

	FY2016 Final	FY2017 GAA	Change	
Sources	**$333,040,724**	**$319,990,131**	**$(13,050,593)**	**-3.9%**
• **Cigarette Tax Revenue**	$135,277,861	$133,966,005	$(1,311,856)	-1.0%
• **Individual Tax Penalties**	$13,807,370	$21,694,470	$7,887,100	57.1%
• **Employer Medical Assistance Payments**	$160,727,565	$157,629,656	$(3,097,909)	-1.9%
• **Fund Balance from Prior Year**	$23,227,928	$6,700,000	$(16,527,928)	-71.2%
Uses	**$326,337,515**	**$319,990,131**	**$(6,347,384)**	**-1.9%**
• **ConnectorCare Subsidies (Non-AWSS)***	$167,147,818	$171,784,112	$4,636,294	2.8%
• **ConnectorCare Subsidies (AWSS)***	$30,514,136	$29,008,415	$(1,505,721)	-4.9%
• **ConnectorCare Cost-Sharing Reduction Reconciliation**	$0	$(10,000,000)	$(10,000,000)	0.0%
• **Connector Admin (Net of fed grants, carrier revenue, misc, reserves)**	$19,000,000	$24,500,000	$5,500,000	28.9%
• **Connector Programmatic Support**	$4,200,000	$13,659,648	$9,459,648	225.2%
• **State Mandated Benefits**	$520,548	$1,321,585	$801,037	153.9%
• **Small Business Wellness Subsidy**	$202,612	$0	$(202,612)	-100.0%
• **9010 Insurer Fee**	$1,504,665	$6,577	$(1,498,088)	-99.6%
• **CICRF**	$2,947,736	$2,947,736	$0	0.0%
• **Health Safety Trust Fund Transfer**	$30,000,000	$30,000,000	$0	0.0%
• **General Fund Transfer (up to $110 million)**	$70,300,000	$56,762,058	$(13,537,942)	-19.3%

* AWSS = aliens with special status.

Source: Massachusetts Executive Office for Administration and Finance.

TABLE B2: HEALTH SAFETY NET TRUST FUND

	FY2016 Estimated Spending	FY2017 GAA	Change	
Sources	**$360,000,000**	**$330,400,000**	**$(29,600,000)**	**-8.2%**
• **Assessments on Acute Hospitals and Ambulatory Surgical Centers**	$165,000,000	$165,200,000	$200,000	0.1%
• **Assessment on Insurers**	$165,000,000	$165,200,000	$200,000	0.1%
• **Commonwealth Care Trust Fund Transfer***	$30,000,000	$30,000,000	$0	0.0%
Uses	**$360,000,000**	**$360,400,000**	**$400,000**	**0.1%**
• **Health Safety Net Hospital Payments**	$275,700,000	$275,700,000	$0	0.0%
• **Health Safety Net CHC payments and Demonstration Programs**	$73,300,000	$73,300,000	$0	0.0%
• **Health Safety Net Claims Operations**	$10,000,000	$10,400,000	$400,000	4.0%
• **Inspector General Health Safety Net Audit Unit**	$1,000,000	$1,000,000	$0	0.0%

* FY2017 transfer authorized under Section 189(b) of Chapter 149 of the Massachusetts General Laws.

Note: Figures reported in Hospital Fiscal Year (October through September). FY2017 payments to hospitals and CHCs are assumed to equal FY2016 estimated spending amounts. Final payments may differ depending on further legislative action that could affect total HSN funding available in FY2017.

Source: Massachusetts Executive Office of Health and Human Services.

TABLE B3: MEDICAL ASSISTANCE TRUST FUND

	FY2015	FY2016 Estimated Spending	FY2017
Sources	**$116,000,000**	**$1,249,608,251**	**$966,208,450**
• **General Fund Appropriation (1595-1068)**	$72,000,000	$462,000,000	$462,000,000
• **General Fund Supplemental Appropriation**		$539,147,177	$274,154,225
(Sub-Total: General Fund Appropriations)	*$72,000,000*	*$1,001,147,177*	*$736,154,225*
• **Cambridge Public Health Commission Transfer**	$44,000,000	$248,461,074	$230,054,225
Uses	**$116,000,000**	**$914,025,423**	**$966,208,450**
2014 Date-of-Service Payments	**$0**	**$213,886,948**	**$0**
• **State Plan—Upper Payment Limit—Hospital (UMMHC)**	$0	$182,786,948	$0
• **State Plan—Upper Payment Limit (CHA)**	$0	$31,100,000	$0
2015 Date-of-Service Payments	**$116,000,000**	**$481,746,925**	**$0**
• **Public Service Hospital Payment (BMC)**	$0	$52,000,000	$0
• **Public Service Hospital Payment (CHA)**	$88,000,000	$0	$0
• **Public Hospital Transformation & Incentive Initiative (CHA)**	$0	$220,000,000	$0
• **State Plan—Upper Payment Limit—Providers (UMMHC)**	$28,000,000	$0	$0
• **State Plan—Upper Payment Limit—Hospital (UMMHC)**	$0	$182,316,327	$0
• **State Plan—Upper Payment Limit (CHA)**	$0	$27,430,598	$0
2016 Date-of-Service Payments	**$0**	**$218,391,550**	**$386,208,450**
• **Public Service Hospital Payment (BMC)**	$0	$0	$52,000,000
• **Public Service Hospital Payment (CHA)**	$0	$88,000,000	$0
• **Public Hospital Transformation & Incentive Initiative (CHA)**	$0	$130,391,550	$89,608,450
• **State Plan—Upper Payment Limit—Providers (UMMHC)**	$0	$0	$28,000,000
• **State Plan—Upper Payment Limit—Hospital (UMMHC)**	$0	$0	$186,100,000
• **State Plan—Upper Payment Limit (CHA)**	$0	$0	$30,500,000
2017 Date-of-Service Payments	**$0**	**$0**	**$580,000,000**
• **Public Service Hospital Payment (BMC)**	$0	$0	$0
• **Public Service Hospital Payment (CHA)**	$0	$0	$88,000,000
• **Public Hospital Transformation & Incentive Initiative (CHA)**	$0	$0	$220,000,000
• **State Plan—Upper Payment Limit—Providers (UMMHC)**	$0	$0	$28,000,000
• **State Plan—Upper Payment Limit—Hospital (UMMHC)**	$0	$0	$212,000,000
• **State Plan—Upper Payment Limit (CHA)**	$0	$0	$32,000,000

Source: Massachusetts Executive Office of Health and Human Services.

TABLE B4: DELIVERY SYSTEM TRANSFORMATION TRUST FUND

	FY2015	FY2016 Estimated Sources and Uses	FY2017 GAA
Sources	**$127,384,418**	**$211,568,273**	**$219,800,001**
• General Fund Appropriation (1595-1067)	$116,171,085	$189,141,606	$196,252,001
• Cambridge Public Health Commission Transfer	$11,213,333	$22,426,667	$23,548,000
Uses	**$127,384,419**	**$209,333,333**	**$219,800,000**
2014 Date-of-Service Payments	**$127,384,419**	**$0**	**$0**
• Boston Medical Center (BMC)	$74,494,419	$0	$0
• Cambridge Health Alliance (CHA)	$22,426,667	$0	$0
• Holyoke Medical Center	$4,076,667	$0	$0
• Lawrence General Hospital	$7,216,667	$0	$0
• Mercy Medical Center	$7,606,667	$0	$0
• Signature Healthcare Brockton Hospital	$8,356,667	$0	$0
• Steward Carney Hospital	$3,206,667	$0	$0
2015 Date-of-Service Payments	**$0**	**$209,333,333**	**$0**
• Boston Medical Center (BMC)	$0	$103,553,333	$0
• Cambridge Health Alliance (CHA)	$0	$44,853,333	$0
• Holyoke Medical Center	$0	$8,153,333	$0
• Lawrence General Hospital	$0	$14,433,333	$0
• Mercy Medical Center	$0	$15,213,333	$0
• Signature Healthcare Brockton Hospital	$0	$16,713,333	$0
• Steward Carney Hospital	$0	$6,413,333	$0
2016 Date-of-Service Payments	**$0**	**$0**	**$219,800,000**
• Boston Medical Center (BMC)	$0	$0	$108,731,000
• Cambridge Health Alliance (CHA)	$0	$0	$47,096,000
• Holyoke Medical Center	$0	$0	$8,561,000
• Lawrence General Hospital	$0	$0	$15,155,000
• Mercy Medical Center	$0	$0	$15,974,000
• Signature Healthcare Brockton Hospital	$0	$0	$17,549,000
• Steward Carney Hospital	$0	$0	$6,734,000

Source: Massachusetts Executive Office of Health and Human Services.