MassHealth

MassHealth is the Commonwealth’s Medicaid and Children’s Health Insurance Program (CHIP). It provides health care coverage to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities.

MassHealth not only provides primary coverage for most members, but also provides secondary coverage for members who receive primary coverage from other insurance, including Medicare and employer sponsored insurance.

When cost effective to do so, MassHealth may provide premium assistance to help members access coverage through their employer.

MassHealth benefits are delivered through managed care, fee-for-service, or both.

About this Report

MassHealth submits data to the Massachusetts All Payer Claims Database (MA APCD). In 2015, MassHealth began submitting enhanced eligibility data which provides supplemental information on MassHealth-specific coverage types, delivery systems, and other data unique to the MassHealth program.

The Center for Health Information and Analysis (CHIA) validated MassHealth’s eligibility and claims data submissions to the MA APCD, and this report provides certain baseline information. CHIA reviewed and analyzed MassHealth claims paid on a fee-for-service basis through the Medicaid Management Information System (MMIS). In addition, CHIA analyzed claims paid by the Massachusetts Behavioral Health Partnership (MBHP) sourced from the Executive Office of Health and Human Services Data Warehouse (EOHHS-DW). CHIA aggregated MassHealth and MBHP claims in order to report claims spending by eligibility and enrollment groups.

This report provides a high level overview of the MassHealth population, with a focus on total and per member per month (PMPM) spending for members with Standard coverage during SFY2013 and SFY2014 in the Fee-For-Service (FFS) and the Primary Care Clinician (PCC) Plan delivery systems.¹ In SFY2014, 57% of the MassHealth population received coverage through the FFS or the PCC Plan delivery systems and 77% of these members had Standard coverage, the most robust set of MassHealth benefits.

In this report, claims spending figures include both MassHealth and MBHP claims as applicable. CHIA plans to validate and report on expenditure data for the MassHealth managed care entities from the MA APCD in future reports.

All data in this report was sourced from the MA APCD and the EOHHS-DW unless otherwise noted. See data notes for more detail.

For questions on MassHealth Baseline Statistics from the MA APCD, please contact lauren.almquist@state.ma.us.

¹In this report, delivery system reflects the primary method of benefit provision. Members in MassHealth’s Fee-For-Service (FFS) delivery system receive most benefits on a fee-for-service basis. Most benefits for Primary Care Clinician (PCC) Plan members are also paid for by MassHealth on a fee-for-service basis, but are coordinated by a primary care clinician. PCC Plan members, and most children in FFS, are also enrolled in the Massachusetts Behavioral Health Partnership (MBHP) for behavioral health benefits.

For information on MassHealth coverage types, delivery systems, and other insurance coverage for MassHealth members, see the glossary.
Executive Summary

In SFY2014:

- Total MassHealth average monthly membership increased by 13% to 1.6 million members, primarily due to expanded eligibility under the Patient Protection and Affordable Care Act (ACA) beginning January 1, 2014. Non-disabled adults in MassHealth increased by 36% compared to SFY2013.

- MassHealth provided secondary coverage for 26% of its membership who receive primary coverage from other insurance, including through premium assistance.

- FFS and PCC Plan members with Standard coverage, the most robust set of MassHealth benefits, accounted for 93%, or $7.2 billion, of spending in these two delivery systems.

- $4.4 billion, or 62% of Standard coverage spending for FFS and PCC Plan members was on long term services and supports (LTSS), which are typically only covered by Medicaid programs.

- FFS Standard enrollees with Medicare made up nearly half of the FFS Standard population and accounted for 78% of the claims spending, $3.8 billion.
  
  » $3.5 billion, or 90% of the MassHealth spending on these enrollees was for LTSS, which is not covered by Medicare.
  
  » The PMPM for MassHealth alone for these enrollees was $1,564.

- More than half of the PCC Plan population with Standard coverage were non-disabled children who accounted for 22% of the $2.2 billion in claims spending; members with disabilities made up 24% of this population and 63% of the spending.
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MassHealth Overview

- MassHealth, the Commonwealth’s Medicaid and Children’s Health Insurance Program (CHIP), provides health care coverage to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities.

- MassHealth represents approximately 40% of the Commonwealth’s $38.1 billion budget in SFY2016.¹

- MassHealth provides varying levels of health care coverage through different delivery mechanisms, including services not typically covered by other insurers. Examples of such services include long term services and supports (LTSS), which are necessary for many individuals with disabilities and/or functional limitations, including seniors.

- MassHealth is considered the payer of last resort, and service providers are expected to obtain payment from other resources where available prior to billing MassHealth. 26% of MassHealth’s total membership received primary coverage from other insurance (in some cases through premium assistance) in SFY2014.

- In January 2014, the ACA expanded Medicaid eligibility resulting in an increase in MassHealth enrollment, primarily among adults.

- MassHealth created a temporary coverage category during the ACA open enrollment period to ensure continued coverage for Massachusetts residents awaiting eligibility determination for subsidized coverage (between January 2014 and February 2015). Members enrolled in temporary coverage are included in this report.

¹http://bluecrossmafoundation.org/sites/default/files/download/publication/FY-2016_GAA_Budget-Brief_v03.pdf
In SFY 2014:

- 1 in 4 Massachusetts residents were enrolled in MassHealth.
- Average monthly MassHealth membership was 1.6 million.¹
- 36% of children in Massachusetts were enrolled in MassHealth.
- 26% of MassHealth's total membership received primary coverage from other insurance. This includes Medicare, employer sponsored insurance and premium assistance.²

MassHealth Overview

Total Massachusetts Population by MassHealth Membership and Age Group
SFY2014


Graphic Notes: Enrollment data that are missing age information are not included in this graphic (<0.002%). MassHealth data represent average monthly membership for SFY2014. MassHealth member counts include the temporary enrollees.

¹ Inclusive of temporary coverage enrollees from January 1, 2014 through June 30, 2014.
² Premium Assistance: Members who have access to commercial insurance may receive assistance from MassHealth to purchase primary coverage if MassHealth deems this to be more cost-effective.
The MassHealth population has grown significantly since MassHealth expanded coverage under the ACA beginning January 2014.

Many CommCare enrollees and individuals receiving services paid for by the Health Safety Net (HSN) became newly eligible for MassHealth.

A proportion of this increase included temporary enrollees awaiting eligibility determinations from the Massachusetts Health Connector.¹ MassHealth created a temporary enrollment category during the ACA open enrollment period. This ensured continued coverage for Massachusetts residents awaiting eligibility determination for subsidized coverage.

¹ MassHealth has indicated that since temporary coverage ended in February 2015, there has been a stabilization of the caseload.

Graphic Notes: Though HSN eligibility appears to increase in January 2015, this is likely representative of the many individuals eligible for subsidized care through the Connector who receive time-limited HSN benefits while they select and enroll in their Connector coverage. For more information on ACA coverage changes, please see http://www.mass.gov/eohhs/provider/insurance/masshealth/aca/information-for-providers-about-the-affordable-care-act.html
Between January 2014 and February 2015, MassHealth provided temporary coverage to individuals awaiting eligibility determination from the Connector. Disenrollments occurred throughout this time period. In late 2014, MassHealth required temporary members to re-apply. Enrollment for any remaining members ended in February 2015.

On average, members spent 9.1 months enrolled in temporary coverage, and at its peak in October 2014, approximately 317,000 members were enrolled. 55% of disenrollments from temporary coverage did not result in a MassHealth re-enrollment.

Status of the Temporary Population within 60 Days of Disenrollment

Every member enrollment in Temporary Coverage that terminated was reviewed for subsequent eligibility in MassHealth or HSN during the 60 day period following Temporary Coverage termination.

Re-enrolled in MassHealth
Health Safety Net (HSN) including time-limited HSN while selecting Connector coverage
Other/Unknown

34%
45%
21%

358,474 Disenrollment Events

Graphic Notes: 6.8% of the MassHealth re-enrollments reflect MassHealth Limited enrollment. Many individuals eligible for subsidized care through the Connector may have received time-limited HSN while they selected and enrolled in their Connector coverage. Disenrollments in the “Other/Unknown” category may have gone into subsidized or unsubsidized Connector plans.
Total MassHealth average monthly membership increased from 1.4 million in SFY2013 to 1.6 million in SFY2014, primarily due to expanded eligibility under the ACA beginning January 1, 2014.

Non-disabled adults had the highest annual growth rate, increasing by 35.8% between SFY2013 and SFY2014. This was a result of the ACA eligibility expansion.

Average monthly membership for SFY2014 includes temporary coverage enrollees between January and June 2014.

Graphic Notes: This graphic excludes enrollment data that are missing age information, but all enrollment figures are included in the reported totals. Disability status was not determined for temporary enrollees, so all were classified in the data as non-disabled.
MassHealth determines eligibility for a set of benefits called a **coverage type**. Coverage types vary in the level of benefits provided, from comprehensive to very limited.

Once a coverage type is determined, one or more managed care or fee-for-service **delivery systems** may be available to a member.

Delivery system options may vary by coverage type.

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**MassHealth Eligibility and Enrollment Process**

A MassHealth Member ...

... is **eligible** for a coverage type ...

(e.g., Standard, CommonHealth, CarePlus, Family Assistance, Limited)

... and **enrolled** in a delivery system to receive these benefits.

(e.g., FFS, PCC Plan, MCO)
MassHealth Coverage Types and Delivery Systems

Coverage Types

Coverage types define a set of health care benefits. Examples of coverage types include Standard, CommonHealth, CarePlus, Family Assistance and Limited. **Standard** is the most robust coverage type and includes hospital, physician, mental health, prescription drugs, and other ancillary services. In addition, Standard includes many LTSS which are not generally covered under commercial insurance. **CarePlus** benefits are similar to those of commercial plans, and exclude LTSS. **Limited** covers only emergency services for members ineligible for additional coverage. See the glossary for more detail.

Delivery Systems

In this report, a delivery system reflects the primary method by which a member’s benefits are delivered, either fee-for-service or under a managed care arrangement. Delivery systems include Fee-for-Service (FFS), Managed Care Organizations (MCO), Primary Care Clinician Plan (PCC Plan), Senior Care Options (SCO), the Program of All-inclusive Care for the Elderly (PACE), and One Care Integrated Care Organizations (ICO). Depending on eligibility, age and other insurance status, members may have the option to choose an MCO or the PCC Plan. Members with Medicare are enrolled in FFS by default, but may have the option to enroll in SCO, PACE or One Care. Individuals who have other primary insurance coverage or are receiving premium assistance are generally enrolled in FFS.
Members with Standard coverage are represented across delivery systems and account for 72% to 100% of enrollees in each.

The FFS population increased by 16% in part due to the temporary coverage category, which began enrolling members in January 2014.

CarePlus, a new coverage type under the ACA, was primarily delivered through MCOs unless the member had other insurance. Some new CarePlus enrollees had previously been in the PCC Plan, and some were newly eligible for MassHealth.

57%, or 907,000 members, of the total MassHealth population received coverage through the FFS or PCC Plan delivery systems, in SFY2014.

Graphic Notes: In this report, FFS includes a small population of members, primarily children, who are not enrolled in managed care for primary coverage, but receive behavioral health benefits through MBHP, a managed behavioral health care plan. Other coverage types include Basic, Essential, CommonHealth, Family Assistance, Premium Assistance Only, Prenatal, Senior Buy-in, and Emergency Aid to the Elderly, Disabled and Children. Fewer than <0.1% of MassHealth members were remaining in Basic and Essential by the end of SFY2014. Members who may have been misclassified as Limited and enrolled in managed care represented <0.01% of the population and were not included in the coverage type breakouts, but are included in totals. Individuals eligible for Limited receive benefits through the FFS delivery system.

*One Care began in October 2013; average monthly membership was 8.8K over the 9 months in SFY2014 that One Care was operational.
Members enrolled with managed care entities receive most benefits under a capitated arrangement, but may also receive certain benefits (such as LTSS) on a fee-for-service basis.

Members in the PCC Plan receive medical benefits on a fee-for-service basis and are enrolled in the Massachusetts Behavioral Health Partnership (MBHP) under a capitated arrangement for behavioral health services.¹

Some members in FFS, primarily children, are also enrolled in MBHP to ensure access to a comprehensive suite of behavioral health services.

MassHealth and MBHP claims spending for the combined FFS and PCC Plan populations was $7.7 billion in SFY 2014, approximately 60% more than claims and capitation spending on the other delivery systems.

¹ MassHealth paid MBHP $510 million in SFY2013 and $476 million in SFY2014 in monthly capitation.

Graphic Notes: Capitated payments from MassHealth to the various managed care plans are displayed above for illustrative purposes. Individual level claims for managed care entities are not shown, except in the case of MBHP. CHIA sourced claims level detail for MBHP from the EOHHS-DW and merged with MassHealth enhanced eligibility data available in the MA APCD.

Non MassHealth spending for members that have other insurance such as Medicare or employer sponsored insurance is not represented in this graphic, nor is the amount MassHealth spends on premium assistance payments.
The next sections of this report focus on FFS and PCC Plan enrollment and spending for MassHealth members with Standard coverage in SFY2014.

- Most services for FFS and PCC Plan members are paid for by MassHealth on a fee-for-service basis.

- In SFY2014, average monthly membership for this combined population was 907,000, with MassHealth and MBHP claims spending totaling $7.7 billion.

- Standard coverage accounted for 77% of members and 93% of spending for these combined populations.

- Standard is the most robust coverage type and includes many services that are not generally covered under commercial insurance or Medicare, such as LTSS.¹

Spending reported in the following sections reflects both MassHealth and MBHP claims spending.

¹ CommonHealth covers the same benefits as Standard, including LTSS, for a smaller population (roughly 2% of the entire MassHealth population in SFY2014).
In SFY2014:

- 72% of the FFS population (416,000) and 86% of PCC Plan members (284,000) had Standard coverage.
- The FFS population with Standard coverage accounted for $5.0 billion, or 94% of the total FFS population spending.
- PCC Plan members with Standard coverage accounted for $2.2 billion, or 91% of the total PCC Plan population spending.

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This includes members with Limited coverage, which provides only emergency services. These members account for a much lower proportion of FFS spending.
Delivery Systems

FFS

The FFS population consists of members who are not enrolled in managed care and generally receive benefits on a fee-for-service basis. In this report, FFS includes a small population of members, primarily children, who are not enrolled in managed care for primary coverage, but receive behavioral health benefits through MBHP, a managed behavioral health care plan.

For this report, CHIA identified three stratifications of the FFS population based on other insurance status. The next section of the report provides information for each group. Other insurance status was classified as follows:

Medicare:

Members who have primary coverage through Medicare\(^1\) (dually-eligible members)

- MassHealth benefits not covered by Medicare are paid on a fee-for-service basis\(^2\)
- Medicare spending and Medicare premium assistance provided by MassHealth are not reflected in this report

TPL/PA (no Medicare):

Members, not eligible for Medicare, who have other comprehensive third party coverage (TPL) such as employer sponsored insurance, or receive MassHealth premium assistance (PA)

- MassHealth benefits not covered by the other insurance are paid on a fee-for-service basis\(^3\)
- Other carrier claims and premium assistance payments are not reflected in this report

No other insurance:

Members with no other primary insurance coverage, and not receiving premium assistance

Members may include individuals who are:

- residing in long term care facilities;
- waiting to enroll in managed care; or
- temporary enrollees.

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\(^1\) Members dually eligible for Medicare and Medicaid who enroll in SCO, PACE or One Care receive nearly all their benefits through these managed programs.

\(^2\) MassHealth also covers Medicare coinsurance and deductibles for most dually eligible members.

\(^3\) MassHealth also covers most member cost sharing related to their commercial coverage.
For the FFS population with Standard coverage, those with Medicare account for almost half of the membership, and 78% of the claims spending.

Only 32% of FFS members with Standard coverage, accounting for 17% of spending, have no other primary insurance.

MassHealth Enrollment and Spending by Other Insurance Status
SFY2014
FFS Members with Standard Coverage

Average Monthly Membership
416.2K

$3.8B
78%

$854.9M
17%

$258.1M
5%

Spending
$5.0B

Graphic Notes: Claims spending does not include Medicare claims, third party liability claims or premium assistance payments.
MassHealth Enrollment and Spending Distributions, and PMPMs, by Age and Disability Status
SFY2014
FFS Members with Medicare, Standard Coverage

Adults with disabilities¹ make up 54% of this population and account for 43% of spending.

The majority of claims spending for this population (56%) is attributable to seniors.

Despite receiving primary coverage through Medicare,² MassHealth spending for this population is high ($1,564 PMPM) primarily due to LTSS utilization.

These members may have complex and often costly needs³ and may have been determined dually eligible for MassHealth after reaching Medicaid eligibility spend down criteria.

¹ Based on MassHealth disability designation. MassHealth disability determinations may not be consistent with Medicare disability criteria. Disability status for members with temporary coverage cannot be determined.
² Medicare covers seniors, individuals with disabilities (determined by Medicare-specific criteria), and people with end stage renal disease (ESRD).
³ http://kff.org/tag/dual-eligible/

Graphic Notes: This graphic excludes 1) enrollment data that are missing age information and 2) PMPMs for populations where both enrollment and spending represented <2%. All enrollment and spending figures are included in the reported totals.
LTSS accounted for $3.5 billion, or 90% of MassHealth spending for this population in SFY2014.

LTSS are generally not covered by Medicare, whereas pharmacy, inpatient hospital and professional services are covered by Medicare.¹

MassHealth also covers Medicare coinsurance and deductibles for most dually eligible members.²

¹ Medicare claims spending for this population is not reflected in this analysis.
² MassHealth pays these amounts based on Medicaid rates, which are often lower than Medicare rates, resulting in reduced cost sharing payment amounts to providers.

LTSS – Facility services take place primarily in long term care facility settings such as nursing homes.

LTSS – Community refers to a broad range of services provided in the home or in the community, including home health, adult day health, adult foster care, personal care services, and hospice care.

LTSS – Community – HCBS Waiver refers to Home and Community Based Services (HCBS) waiver programs that provide community-based LTSS for members who would otherwise require care in a facility.
Members in FFS with TPL/PA with Standard coverage have primary medical benefits covered by another insurer.¹

MassHealth pays for services within the Standard benefit package that are not covered by the primary insurer.

87% of the FFS population with TPL/PA are non-disabled adults and children, who account for 25% of the spending.

Despite the relatively low overall PMPM compared to other FFS populations, the members of this group with disabilities have high PMPMs and account for 70% of the spending.

Over half (61%) of this population are children, 89% of whom receive behavioral health services through managed care (MBHP).

1 Other insurer’s claims spending for this population is not reflected in this analysis.

2 For this report, the FFS population with TPL/PA excludes members with Medicare.

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**MassHealth Enrollment and Spending Distributions, and PMPMs, by Age and Disability Status**

**SFY2014**

**FFS Members with TPL/PA, Standard Coverage**

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**Graphic Notes:** This graphic excludes enrollment data that are missing age information, but all enrollment figures are included in the reported totals. Seniors were <0.5% of this population in SFY2014. Members with disabilities in this population may be awaiting Medicare enrollment, which is available for individuals under 65 who have received their Social Security Disability benefits for 24 months.
For this population, MassHealth spent $181 million on LTSS which are generally not covered by most commercial insurers.

93% of the MassHealth LTSS spending for this group was for members with disabilities or seniors, who make up 13% of the population.

Approximately 81% of the total LTSS spending for this population was for community-based LTSS.

MassHealth also covers most member cost sharing related to their commercial coverage.

**MassHealth Spending across Service Categories**

SFY2014

FFS Members with TPL/PA, Standard Coverage

- **LTSS**: 70%
- **Other**: 5%
- **Outpatient Facility & Professional**: 14%
- **Inpatient Hospital**: 3%
- **Dental**: 4%

**PMPM: $277**

**Total Spending: $258.1M**
MassHealth Enrollment and Spending Distributions, and PMPMs, by Age and Disability Status

SFY2014
FFS Members with No Other Insurance, Standard Coverage

Primary coverage by MassHealth through FFS is only available in limited circumstances, which includes when an individual is residing in a facility, over age 65, a child in DCF custody, receiving hospice care, or enrolled in temporary coverage.1

Members awaiting enrollment in managed care also receive coverage through FFS until their managed care plan enrollment takes effect.

Average monthly membership in FFS Standard for individuals with no other insurance nearly doubled between SFY2013 and SFY2014 to 134K, with 54% enrolled in temporary coverage.

Adults in this population with disabilities are particularly costly, with a PMPM approaching $3,800 (62% of which reflects facility-based LTSS).

1 Children in DCF custody have the option to remain in FFS, rather than enroll in the PCC Plan or an MCO, and are enrolled in MBHP for access to a comprehensive suite of behavioral health services. Seniors and residents of facilities may have the option to enroll in SCO.

Graphic Notes: This graphic excludes enrollment data that are missing age information, but all enrollment figures are included in the reported totals. Members with disabilities in this population may be awaiting Medicare enrollment, which is available for individuals under 65 who have received their Social Security Disability benefits for 24 months.
71% of LTSS spending for this population was on facility-based care.¹

Members residing in facilities are enrolled in FFS because they are excluded from enrollment in MCOs and the PCC Plan, explaining the disproportionate representation of facility-based compared to community-based LTSS spending among this population.

¹ The spending on facility-based LTSS was predominantly (72%) for adults with disabilities. Please see databook for more detail.
Delivery Systems

PCC Plan

- The PCC Plan is a managed care option administered by MassHealth intended for members under age 65 without other primary insurance coverage.
- Members select or are enrolled with a Primary Care Clinician responsible for managing their care.
- MassHealth covers PCC Plan members’ primary medical benefits.
- Behavioral health benefits are administered through MBHP, a managed behavioral health care plan.
MassHealth Enrollment and Spending Distributions, and PMPMs, by Age and Disability Status
SFY2014
PCC Plan Members, Standard Coverage

PCC Plan members have MassHealth as their primary medical insurance.¹ Seniors cannot enroll in the PCC Plan.

56% of PCC Plan members with Standard coverage are children. Most are non-disabled children, who have the lowest PMPM at $269.

The 24% of PCC Plan members with Standard coverage who have disabilities account for 63% of the claims spending in SFY2014.

Developer:
Center for Health Information and Analysis

¹98.5% of PCC Plan members have MassHealth as their primary medical insurance. With the exception of members found to have non-MassHealth coverage retroactively, individuals in the PCC Plan do not have alternative forms of insurance.

Graphic Note: This graphic excludes 1) enrollment data that are missing age information and 2) PMPMs for populations where both enrollment and spending represented <2%. All enrollment and spending figures are included in the reported totals. Members with disabilities in this population may be awaiting Medicare enrollment, which is available for individuals under 65 who have received their Social Security Disability benefits for 24 months.
The majority of spending for PCC Plan members with Standard coverage is on Outpatient Facility and Professional services.

94% of the $503 million in LTSS spending was for members with disabilities.

Pharmacy is the third highest service category for spending in this population, and increased from SFY2013. This increase coincides with the introduction of new Hepatitis C drugs. CHIA plans to monitor pharmacy trends. Please see the databook for additional detail.

MassHealth Spending Across Service Categories
SFY2014
PCC Plan Members, Standard Coverage

- Dental: 3%
- Inpatient Hospital: 14%
- LTSS: 23%
- Other: 4%
- Outpatient Facility & Professional: 39%
- Pharmacy: 17%

PMPM: $651
Total Spending: $2.2B
Summary of Delivery Systems
FFS and PCC Plan, Standard Coverage

- Meaningful comparisons and analysis of members in FFS and the PCC Plan requires careful consideration of the underlying differences between population groups.

- While the populations highlighted in this report are all eligible under the Standard coverage type, the amount MassHealth spends on services differs by age, disability status, and whether or not MassHealth coverage is primary.

- Despite having primary insurance through Medicare,¹ FFS members with Medicare with Standard coverage have high PMPM costs to MassHealth, due primarily to spending on LTSS.

- Although members with Standard coverage in the PCC Plan and those in the FFS with no other insurance groups both have MassHealth as their primary payer, they represent different populations and therefore have different spending patterns.

¹ Medicare spending and Medicare premium assistance provided by MassHealth are not reflected in this report.
LTSS accounted for $4.4 billion (62%) of spending on FFS and PCC Plan members with Standard coverage in SFY2014.

$3.5 billion or 78% of this LTSS spending was for FFS members with Medicare.

LTSS, a significant cost driver for the MassHealth population, is primarily utilized by seniors and members with disabilities, many of whom have other insurance.

MassHealth Spending for FFS and PCC Plan
SFY2014
Standard Coverage

MassHealth as Primary Coverage
- PCC Plan: $2.2B (23%)
- FFS with No Other Insurance: $854.9M (34%)
- FFS with TPL/PA: $258.1M (70%)
- FFS with Medicare: $3.8B (90%)

MassHealth as Secondary Coverage

Graphic Notes: Where MassHealth is the secondary payer, only MassHealth and MBHP claims are included. Medicare, other carrier expenditures and premium assistance payments would be additional to what is reported here.

For more information on PCC Plan and FFS sub-population membership and spending, please see the databook.
The population with Medicare primary coverage is the most costly, and these figures reflect only MassHealth secondary coverage spending. Nationally, Medicare covers over half the costs for dually eligible members.¹

The MassHealth PMPM for secondary coverage FFS Standard enrollees with Medicare was $1,564, more than double the PMPM cost for primary coverage of PCC Plan members.

Members with Standard coverage in the PCC Plan and those in the FFS with no other insurance group both have MassHealth as their primary payer, but they represent very different populations. The FFS group with no other insurance in SFY2014 included temporary enrollees awaiting eligibility determinations.² ³

Virtually all members of the FFS with Medicare group have disabilities or are seniors; their PMPM was more than five times the PMPM for FFS members with TPL/PA, where only 13% are members with disabilities or seniors.

² Members in FFS with no other insurance either do not qualify for managed care (including the PCC Plan) or are awaiting enrollment in a managed care plan.
³ In SFY2014, 54% of FFS Standard enrollees with no other insurance were enrolled in temporary coverage. This drove up the proportion of non-disabled members in this group, compared to SFY2013.

"MassHealth PMPMs for FFS and PCC Plan
SFY2014
Standard Coverage"

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Graphic Notes: Where MassHealth is the secondary payer, only MassHealth and MBHP claims are included. Medicare, other carrier expenditures and premium assistance payments would be additional to what is reported here.

For more information on PCC Plan and FFS sub-population membership and spending, please see the databook.
CHIA analyzed eligibility, enrollment, and claims data submitted to the Massachusetts All Payer Claims Database (MA APCD) by MassHealth for state fiscal years (SFY) 2013 and 2014 to include sufficient claims run out for a more accurate picture of spending. Therefore, this report reflects only the first six months of coverage changes related to the ACA that went into effect January 1, 2014.

Data in this report include:

- MassHealth eligibility and enrollment data;
- Claims paid on a fee-for-service basis, including claims for MassHealth services provided by other state agencies to MassHealth members;
- Encounter claims data submitted to MassHealth by the Massachusetts Behavioral Health Partnership (MBHP), which provides managed behavioral health care, primarily, though not exclusively, to MassHealth members enrolled in the Primary Care Clinician (PCC) Plan from the Executive Office of Health and Human Services’ Data Warehouse (EOHHS-DW);
- MassHealth capitation payments from the (EOHHS-DW); and
- Population estimates from the U.S. Census Bureau.

Data in this report do not include:

- Premium assistance payments made on behalf of a MassHealth member;
- Non-claims payments and rebates other than capitation noted above;
- Any payments made through employer-sponsored insurance or Medicare; and
- Expenditure data and claims for MassHealth managed care entities.

Databooks are available as a complement to the report and include data for both SFY2013 and 2014.

1 This includes claims with dates of service from July 1, 2012 to June 30, 2014, paid through April 2015.
Glossary of Terms

- MassHealth Coverage Types
- MassHealth Delivery Systems
- MassHealth and Other Insurance
Glossary of Terms
MassHealth Coverage Types

MassHealth covers health care services such as hospital, physician, mental health, prescription drugs and other ancillary services. In addition, MassHealth may cover services that are typically not covered by employer-sponsored insurance or Medicare such as LTSS,¹ and diversionary behavioral health services (to avoid hospitalization). A coverage type (or benefit package) refers to a set of benefits provided by the MassHealth program:

- **Standard** is the traditional coverage type with the broadest scope of benefits, including LTSS. The vast majority of people eligible for MassHealth are eligible for Standard benefits, and qualify through various means;

- **CommonHealth** offers benefits similar to Standard coverage to disabled adults and disabled children who are ineligible for MassHealth Standard. Participants are not subject to income or asset limitations, though there is a sliding scale monthly premium based on household income;

- **CarePlus** is a coverage type implemented as part of the ACA, effective January 1, 2014. Many MassHealth members previously enrolled in Essential or Basic coverage types were transitioned into the CarePlus program. In addition, many individuals who were newly eligible for MassHealth were enrolled in CarePlus who were not otherwise eligible for MassHealth Standard. CarePlus is primarily administered through managed care organizations, unless the member has other third party coverage. Starting on October 1, 2015, CarePlus members have the option of enrolling in the Primary Care Clinician (PCC) Plan;

- **Family Assistance** is a coverage type for individuals ineligible for MassHealth Standard that provides coverage for qualifying children and people who are HIV positive. Family Assistance does not cover LTSS;

- **Basic** was a coverage type that covered unemployed adult clients of the Department of Mental Health and recipients of Emergency Aid to the Elderly, Disabled, and Children (EAEDC) cash assistance. Basic did not cover LTSS. The program ended on December 31, 2013 with the implementation of the ACA;

- **Essential** was a coverage type that covered long term unemployed individuals ineligible for MassHealth Basic, and did not cover LTSS. The program ended on December 31, 2013 with implementation of the ACA; and

- **Limited** is a program that covers emergency health services only to people who are ineligible for more comprehensive coverage for reasons such as immigration status.

Other coverage types under MassHealth include Premium Assistance, Small Business Premium Assistance (began January 1, 2014), Senior Buy-in, Prenatal (ended December 31, 2013) and Emergency Aid to the Elderly, Disabled and Children. Please see technical appendix for more information.

¹Medicare covers services such as skilled nursing facility care and home health care on a post-acute basis for limited periods of time.

For more information about MassHealth coverage types, please see: Member Booklet for Health and Dental Coverage and Help Paying Costs: [http://www.mass.gov/eohhs/docs/masshealth/membappforms/aca-1-english-mb.pdf](http://www.mass.gov/eohhs/docs/masshealth/membappforms/aca-1-english-mb.pdf)

Glossary of Terms
MassHealth Delivery Systems

A delivery system is the method by which a member receives services. Depending on eligibility, members can receive direct coverage for services through a managed care entity, through MassHealth’s PCC Plan, or on a fee-for-service basis. MassHealth may also choose instead to provide premium assistance to members for other available insurance that meets a basic benefit level standard. Depending on coverage for which a member is eligible, MassHealth may also provide benefits not covered by the other insurance on a fee-for-service basis. MassHealth members that also have Medicare may qualify for managed health plans that cover both Medicaid and Medicare services. Depending on the primary mode of care delivery, this report classifies members into the following delivery system-based populations:

- **Fee-for-Service (FFS)** refers to members not enrolled in one of the managed care options below. This includes members receiving premium assistance, those with employer sponsored insurance and/or Medicare, and those otherwise ineligible for full managed care;

- **Managed Care Organization (MCO)** refers to a system of primary care and other medical services that are provided and coordinated by MassHealth managed care plans and their networks of qualified providers. Members may receive benefits not covered by the MCO (e.g., LTSS) on a fee-for-service basis;

- **Primary Care Clinician (PCC) Plan** is a managed care option administered by MassHealth through which enrolled members receive primary care and other medical services. Behavioral health services are provided to PCC Plan enrollees through a behavioral health plan, currently the Massachusetts Behavioral Health Partnership (MBHP);

- **Senior Care Options (SCO)** is a fully capitated Medicare and Medicaid managed care program for those 65 and older and managed jointly by the Centers for Medicare and Medicaid Services (CMS) and MassHealth. SCO plans provide services covered by Medicare and the MassHealth Standard coverage type through their networks of providers;

- **Program of All-inclusive Care for the Elderly (PACE)** is a fully capitated Medicare and Medicaid managed care program for those 55 and older and managed jointly by the Centers for Medicare and Medicaid Services (CMS) and MassHealth. PACE plans provide services covered by Medicare and the MassHealth Standard coverage type through their network of providers; and

- **One Care** is a fully capitated program for individuals with disabilities between the ages of 21 and 64 who are eligible for both Medicare and Medicaid. Members are provided all Medicare and MassHealth benefits as well as a care coordinator, dental benefits, and additional behavioral health and support services. One Care began on October 1, 2013.

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1 In this report, FFS includes a small population of members, primarily children, who are not enrolled in managed care for primary coverage, but receive behavioral health benefits through MBHP, a managed behavioral health care plan.
Glossary of Terms
MassHealth and Other Insurance

MassHealth is considered the payer of last resort, and 26% of its total membership received primary coverage from other insurance (in some cases through premium assistance) in SFY2014. Service providers are expected to obtain payment from other resources where available prior to billing MassHealth. Even when not the primary insurer, MassHealth may provide significant services to members. Categories highlighted in this report include the following: ¹

- **Medicare**: Members who have Medicare coverage in addition to MassHealth are eligible for a range of services paid for by MassHealth. In many cases, MassHealth will also cover Medicare member cost sharing responsibilities. Typically, Medicare covered services include inpatient and outpatient hospital care and pharmacy benefits;

- **Third Party Liability (TPL)**: Members receive primary coverage for health services through a third party, but may be eligible for a range of services paid for by MassHealth when not covered by the primary insurer; and

- **Premium Assistance (PA)**: Members receive assistance from MassHealth to purchase primary coverage.

MassHealth covered benefits, particularly those covered by Standard,² include many services not offered by other payers, such as LTSS. LTSS refers to a broad range of medical and personal care support for individuals who need assistance completing self-care tasks as a result of aging, chronic illness, or disability. LTSS include but are not limited to nursing facility care, adult day health programs, home health aide services, and personal care services.

¹ Designations are not mutually exclusive, and there is overlap between members with Medicare and members with TPL/PA. However, for the purposes of this report, CHIA created mutually exclusive categories of FFS members with Medicare, FFS members with TPL/PA (no Medicare) and FFS members with no other insurance.

² CommonHealth covers the same benefits as Standard, including LTSS, for a smaller population (roughly 2% of the entire MassHealth population in SFY2014).