



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, Room 1109
Boston, Massachusetts 02108



CHARLES D. BAKER
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KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

AMANDA CASSEL KRAFT
Assistant Secretary for
MassHealth

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December 12, 2022

Chair, Michael J. Rodrigues
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Chair, Aaron Michlewitz
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Chairs:

Section 2SSSS of Chapter 29 of the Massachusetts General Laws requires the Executive Office of Health and Human Services (EOHHS) to submit to the House and Senate Committees on Ways and Means a detailed accounting of all monies transferred credited or deposited into the MassHealth Delivery System Reform Incentive Payment (DSRIP) Trust Fund.

Expenditures from the DSRIP Trust Fund include payments for services delivered to MassHealth beneficiaries by acute hospitals, payments for Accountable Care Organizations (ACOs) and Community Partners (CPs), investments in statewide infrastructure and workforce capacity to support successful reform implementation, and DSRIP operations and implementation. DSRIP investment funds are critical in the implementation of the ACO and CP programs and support care coordination.

In August 2017, 17 health care organizations across the state executed agreements to participate in the MassHealth ACO program and in December 2017, 26 community organizations executed contracts to participate in the CP program. MassHealth began paying DSRIP funds to ACOs in September 2017 and began paying DSRIP funds to CPs in December 2017. Full implementation of the ACO program took place in March 2018 and full implementation of the CP program took place in July 2018.

Below you will find expenditure detail for SFY17 – SFY22.

Note, as part of MassHealth's 1115 waiver extension, DSRIP funding is transitioning into ongoing funding streams. As a result, DSRIP payments to ACOs and CPs will continue through the end of March 2023, at which point new contracts will go into effect that incorporate these new funding streams.



DSRIP Trust Fund Payments + Revenue (\$M)

	SFY17	SFY18	SFY19	SFY20	SFY21	SFY22
<u>Payments</u>						
Disability access to acute hospitals	178.9	253.1	277.1	238.4	238.5	245.1
Payments to ACOs	0.0	247.0	215.6	180.4	135.6	115.3
Payments to CPs	0.0	46.0	50.1	66.0	137.6	95.9
Other expenditures	0.0	49.1	45.5	43.4	27.9	26.8
Subtotal payments	178.9	595.2	588.3	528.2	539.6	483.1
<u>Revenue</u>						
Federal revenue	97.1	326.0	332.1	348.0	299.9	194.9
Acute hospital assessment	193.1	257.5	257.5	255.2	259.8	257.5
Subtotal revenue	290.2	583.5	589.6	603.2	559.8	452.4
General Fund Transfer	73.5	0	0	0	0	40
Unexpended Balance	37.9	26.2	27.5	102.5	122.7	52.0

Trust Fund expenditures are not consistent every quarter due to the timing of annual reconciliation payments to providers, which results in unexpended balances in the Trust Fund at the end of each state fiscal year.

Thank you for your continuing commitment to the MassHealth program. If you have any questions about this report, please contact Camille Pearson at camille.pearson@mass.gov.

Sincerely,



Amanda Cassel Kraft

cc: Marylou Sudders