

Health Safety Net Annual Report



Fiscal Year 2023

November 2024

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Introduction

The Executive Office of Health and Human Services (EOHHS) hereby submits this report to the Massachusetts Legislature in compliance with Chapter 227 of the Acts of 2021, Line Item 4000-0300, which calls for EOHHS to report on the utilization of the Health Safety Net Trust Fund, including the following information for Fiscal Year 2023:

- The total dollar amount billed to the Health Safety Net Trust Fund.
- The types of services paid for out of the Health Safety Net Trust Fund.
- The amount disbursed from the Health Safety Net Trust Fund to each hospital and community health center.

This report reflects Health Safety Net (HSN) utilization during HSN fiscal year 2023 (HSNFY23), which ran from October 1, 2022 through September 30, 2023.

Note: The shortfall amount is subject to change. The Health Safety Net does not close a fiscal year until two years after it's end date to allow for claim adjustments and remediated claim submissions.



HSN Overview

The Health Safety Net (HSN), created by Chapter 58 of the Acts of 2006, makes payments to hospitals and community health centers for health care services provided to low-income Massachusetts residents who are uninsured or underinsured.

- Massachusetts residents who are uninsured or underinsured and have household incomes up to 150% of the Federal Poverty Level (FPL) may qualify for HSN primary or HSN secondary.
- If residents have incomes above 150% and up to 300% of the FPL, they may qualify for primary partial HSN or secondary partial HSN, which includes a sliding scale deductible based on income.
- Low income residents who are enrolled in MassHealth, Medicare or other insurance may qualify for HSN secondary for certain services not covered by their primary insurance.
- Individuals eligible for ConnectorCare (regardless of enrollment) are eligible for HSN for the first 100 days of eligibility, after such time they are eligible for HSN dental only.
- If a Massachusetts resident has allowable medical expenses that exceed a certain percent of their countable income, they may qualify for Medical Hardship, in which case the HSN would pay for HSN qualified services. Individuals who qualify for Medical Hardship must pay a required contribution, based on their family's countable income.



HSN Overview

The HSN pays acute hospitals and community health centers based on MassHealth payable services that are eligible for payment. HSN payment rates for most services are based on Medicare payment principles.

The HSN funding total for FY23 was \$346,617,348 from the following sources:

- An assessment on acute hospitals' private sector charges: \$165,308,674¹
- A surcharge on payments made to hospitals and ambulatory surgical centers by HMOs, insurers, third party administrators, and individuals (assessment and surcharge are each equal to \$160 million plus 50% of the estimated cost of administering the Health Safety Net): \$165,308,674¹
- A \$16 million appropriation from the Commonwealth's General Fund.²
- Offset funding for uncompensated care from the Medical Assistance Trust Fund: \$70,000,000³

1. \$10,617,347 is used for HSN administrative funding.

2. \$15M in funding for the Health Safety Net. \$1M in additional funding for demonstration projects.

3. In FY23, disbursements were made to Cambridge Health Alliance (\$50,000,000) and Boston Medical Center (\$20,000,000) due to offset funding for uncompensated care from other sources.



HSN Overview

The HSN also allocates funds every fiscal year for demonstration projects designed to address alternative approaches to improve health care and reduce costs for the uninsured and underinsured on a cost-neutral basis.¹ The following demonstration projects were funded in FY23:

- Fishing Partnership
 - The Fishing Partnership was awarded demonstration funding to connect commercial fishermen with a broad range of professional counseling services, provide assistance with health insurance applications, and offer safety and survival trainings and other special health-oriented events for fishing families: \$2,000,000
- Long-Acting Reversible Contraception
 - Two community organizations (Boston Medical Center and Upstream USA) were awarded demonstration funding to provide assistance to health care providers, both in the community and hospital settings, with the aim of decreasing the number of unintended pregnancies and improving maternal and infant health outcomes across the Commonwealth: \$2,086,638
- Note: Each fiscal year, the HSN makes a \$1M payment to the Office of the Inspector General for auditing purposes.

1. \$50,000 of demonstration funding is used to pay for the HSN drug utilization review contract.

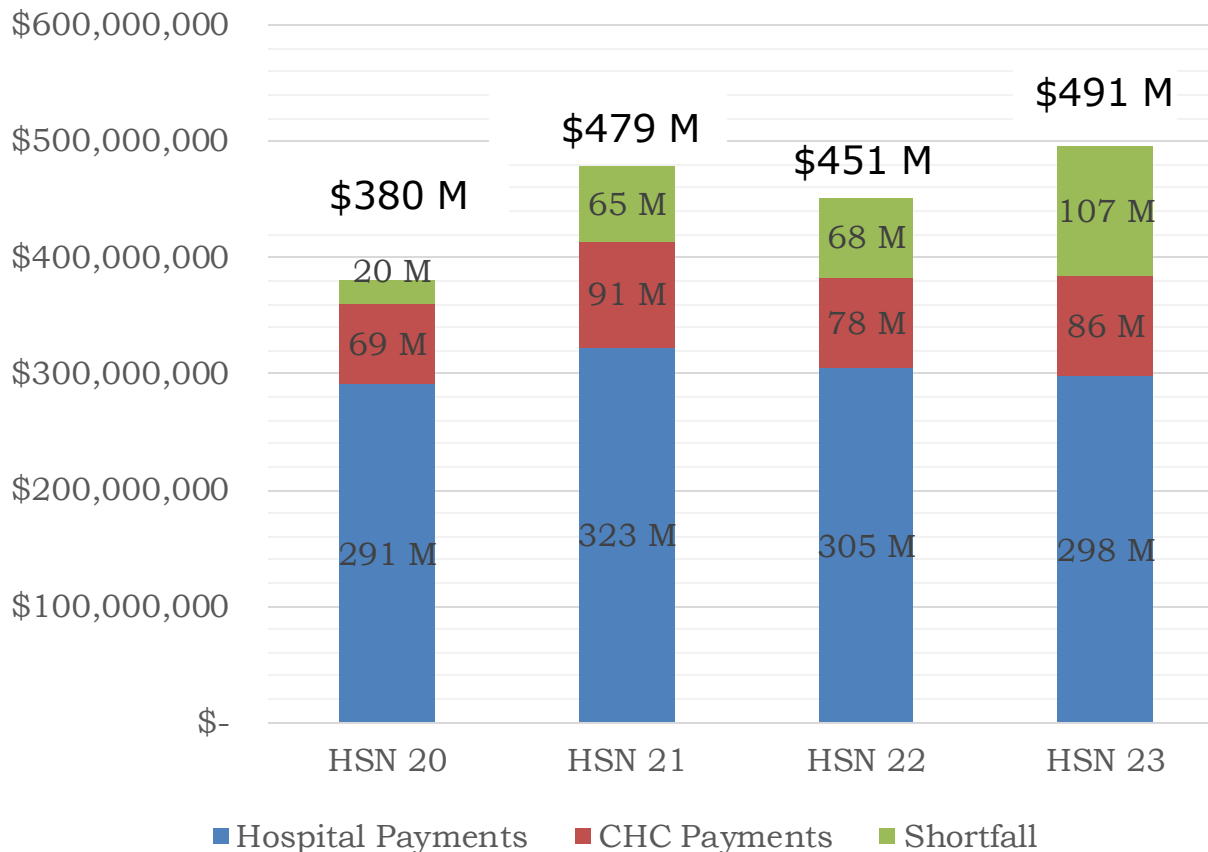


HSN Fiscal Year 2023 Updates

- The HSN shortfall increased from \$68M during HSNFY22 to \$107M during HSNFY23
- HSN received a hospital assessment of \$875,000,000. It transferred \$710,000,000 to the Executive Office of Health and Human Services to support MassHealth payment, clinical, health equity, and population health initiatives. The Health Safety Net kept \$165,000,000 of the overall hospital assessment.
- The increase in shortfall is attributable to increased CHC demand, mandated Medicare-based rate increases, and increased Medicare Savings Plan contributions.
- The above shortfall amount is subject to change. The Health Safety Net does not close a fiscal year until two years after its end date to allow for claim adjustments and remediated claim submissions.



HSN Total Demand and Payment Trends



Demand represents the amount that providers would have been paid in the absence of a funding shortfall.

The HSN shortfall increased from \$68M during HSNFY22 to \$107M during HSNFY23

Hospital Payments includes \$20M offset for BMC and \$43M in CHA demand paid through it's offset.

Note: In FY22, the HSN received a \$16M appropriation from the Commonwealth's General Fund (\$15 million towards HSN general fund and \$1M directly for demonstration projects)

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital and community health center payments are reported in the month in which payment was made. The shortfall amount is based on spending assumptions in place during the fiscal year and may differ from year-end shortfall estimates reported elsewhere. Data reflect payment and projected demand levels as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding. Source: Health Safety Net Payment Calculation as of 09/30/23. **The above totals are subject to change to allow for claim adjustments and remediated claim submissions.**

Amounts Disbursed to Hospitals from the Health Safety Net Trust Fund and Offset Funding (after Shortfall)

Payments

Hospital	Payments
Anna Jaques Hospital	\$ 489,714
Athol Memorial Hospital	\$ 244,671
Baystate Franklin Medical Center	\$ 430,011
Baystate Medical Center	\$ 4,707,620
Baystate Wing Hospital	\$ 804,455
Berkshire Medical Center	\$ 3,130,904
Beth Israel Deaconess Medical Center	-
Beth Israel Deaconess Hospital – Milton	\$ 201,776
Beth Israel Deaconess Hospital – Plymouth	\$ 527,708
Boston Children's Hospital	\$ 3,850,000
Boston Medical Center	\$ 104,581,632
Brigham and Women's Faulkner Hospital	-
Brigham and Women's Hospital	-
Cape Cod Hospital	\$ 6,522,225
Cooley Dickinson Hospital	\$ 566,892
Dana-Farber Cancer Institute	\$ 7,676,704
Fairview Hospital	\$ 695,230
Falmouth Hospital	\$ 856,803
Hallmark Health	\$ 569,918
Harrington Memorial Hospital	\$ 530,348
Health Alliance Hospital	\$ 1,746,232
Heywood Hospital	\$ 391,022
Holyoke Medical Center	\$ 548,079
Lahey Clinic	\$ 2,693,958
Lawrence General Hospital	\$ 5,173,030
Lowell General Hospital	\$ 2,219,007

Hospital	Payments
Marlborough Hospital	\$ 1,835,703
Martha's Vineyard Hospital	\$ 2,350,097
Massachusetts Eye and Ear Infirmary	\$ 2,693,354
Massachusetts General Hospital	\$ 16,821,957
Mercy Medical Center	\$ 1,142,138
MetroWest Medical Center	\$ 1,182,773
Milford Regional Medical Center	-
Morton Hospital, A Steward Family Hospital Inc.	\$ 639,593
Mount Auburn Hospital	-
Nantucket Cottage Hospital	\$ 1,119,349
Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 335,340
Newton-Wellesley Hospital	-
Noble Hospital	\$ 266,467
North Shore Medical Center	\$ 5,616,188
Northeast Hospital	\$ 1,608,794
Saint Vincent Hospital	\$ 775,031
Signature Healthcare Brockton Hospital	\$ 3,305,506
South Shore Hospital	\$ 2,755,004
Southcoast Hospitals Group	\$ 6,887,449
Steward Carney Hospital	\$ 790,433
Steward Good Samaritan Medical Center	\$ 1,856,460
Steward Holy Family Hospital	\$ 1,412,288
Steward Norwood Hospital	\$ 260,318
Steward Saint Anne's Hospital	\$ 1,607,052
Steward St. Elizabeth's Medical Center	\$ 1,577,073
Sturdy Memorial Hospital	\$ 1,699,513
Tufts Medical Center	\$ 4,214,124
UMass Memorial Medical Center	\$ 23,605,342

Total Hospital Disbursements for FY23:

\$235,515,285

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2023 and offset funding from outside sources.

Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2023 will be paid in subsequent fiscal years.

Notes: 1. The total disbursements listed above includes a legislative special payment to Boston Children's Hospital (\$3,850,000). The list does not include disbursements to Cambridge Health Alliance (\$50,000,000) and Boston Medical Center (\$20,000,000) due to offset funding for uncompensated care from other sources.

The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital payments are reported in the month in which payment was made. The shortfall amount is based on spending assumptions in place during the fiscal year and may differ from year-end shortfall estimates reported elsewhere. Data reflect as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Source: Health Safety Net Payment Calculation as of 09/30/23.

2. Remediated claims and calculations are submitted after the conclusion of the HSN fiscal year. Although these claims and calculations are paid in subsequent fiscal years, these claims will be counted against total demand and shortfall for the fiscal year in which its date of service fell.



HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2023 Total Paid
Boston Health Care for the Homeless Program	\$ 1,690,008
Brockton Neighborhood Health Center	\$ 12,434,295
Caring Health Center, Inc.	\$ 876,289
Charles River Community Health Center	\$ 4,077,110
CHP Health Center	\$ 307,635
Community Health Center of Cape Cod	\$ 1,401,375
Community Health Center of Franklin County, Inc.	\$ 236,813
Community Health Connections Family Health Center	\$ 2,986,162
Dimock Community Health Center	\$ 1,405,445
Duffy Health Center	\$ 104,238
Edward M. Kennedy Community Health Center, Inc.	\$ 8,571,474
Family Health Center of Worcester	\$ 4,156,456
Fenway Community Health Center	\$ 1,972,684
Geiger Gibson Community Health Center	\$ 320,469
Greater Lawrence Family Health Center, Inc.	\$ 7,198,254
Greater New Bedford Community Health Center, Inc.	\$ 2,591,281
Harbor Community Health Center - Hyanis	\$ 2,675,956
Harvard Street Neighborhood Health Center	\$ 1,985,573
HealthFirst Family Care Center, Inc.	\$ 2,496,284
Hilltown Community Health Centers, Inc.	\$ 125,989
Holyoke Health Center	\$ 1,966,364
Island Health Care	\$ 244,457
Lowell Community Health Center	\$ 7,509,352
Lynn Community Health Center	\$ 7,041,523
Manet Community Health Center, Inc.	\$ 1,007,981
Mattapan Community Health Center	\$ 439,313
Neponset Health Center	\$ 442,087
North End Waterfront Health	\$ 768,508
North Shore Community Health, Inc.	\$ 2,795,701
Outer Cape Health Services, Inc.	\$ 448,556
South Cove Community Health Center	\$ 1,341,609
Springfield Health Services for the Homeless	\$ 1,905
Stanley Street Treatment and Resources (SSTAR)	\$ 460,477
Upham's Corner Health Center	\$ 1,314,973
Whittier Street Health Center	\$ 2,933,022

Total Disbursements for FY23:
\$86,329,619

This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2023.

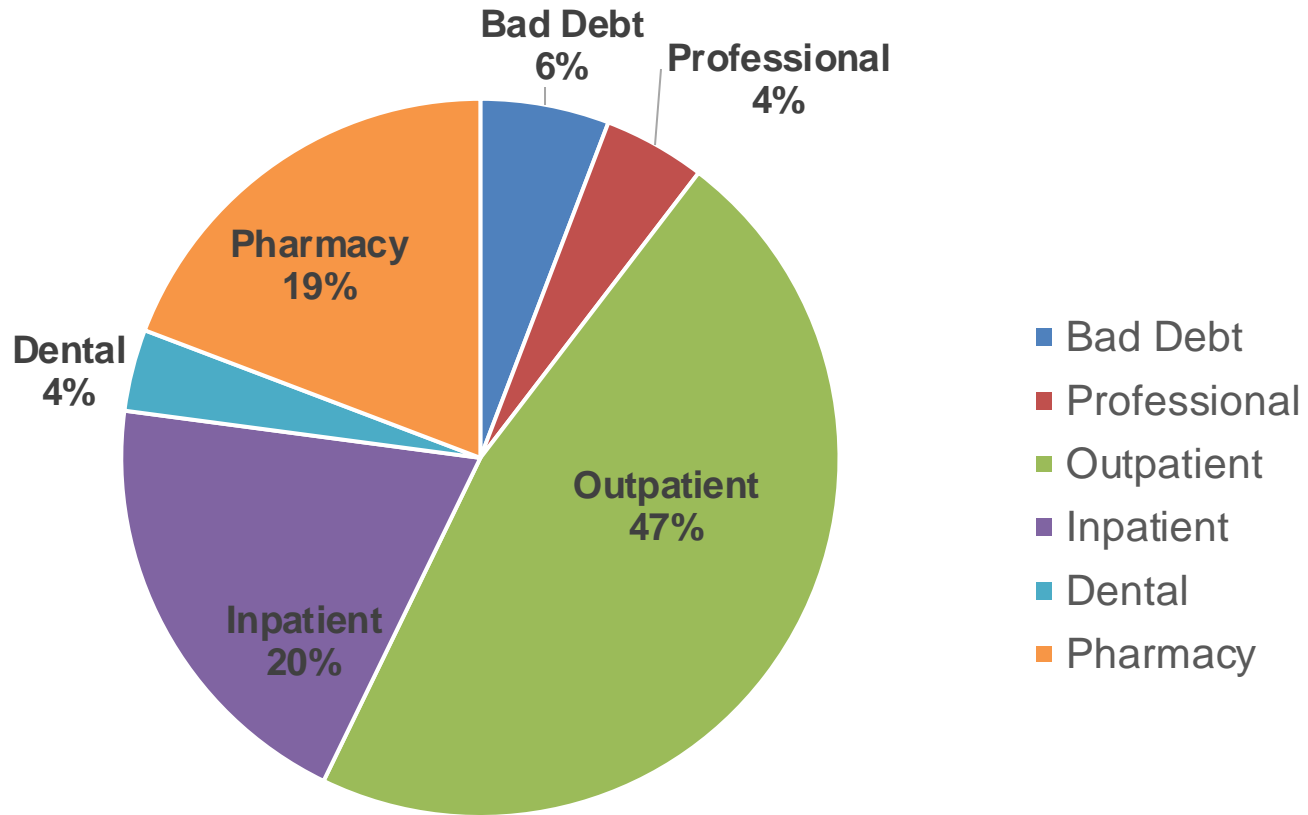
Data reflects amount disbursed based on claims that have been submitted as of the date of this report.

Remediated claims for dates of service in fiscal year 2023 will be paid in subsequent fiscal years.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Community health center payments are reported in the month in which payment was made. Data reflects payment as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Source: Health Safety Net Payment Calculation as of 9/30/23.



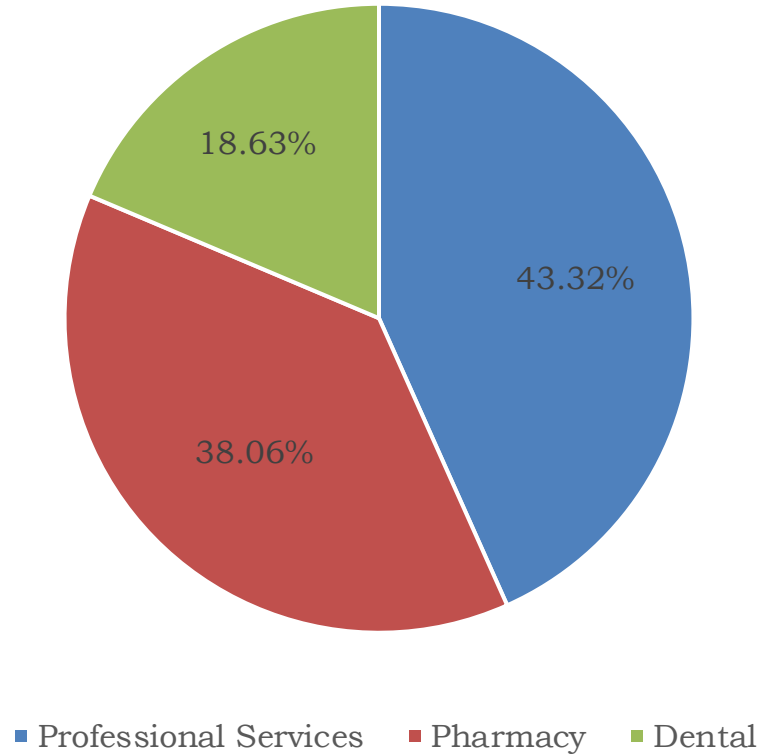
Hospital Demand by Type of Service



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital Inpatient excludes pharmacy claims. Hospital inpatient payments are reported in the month in which the service was provided. Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of **09/30/2023**.

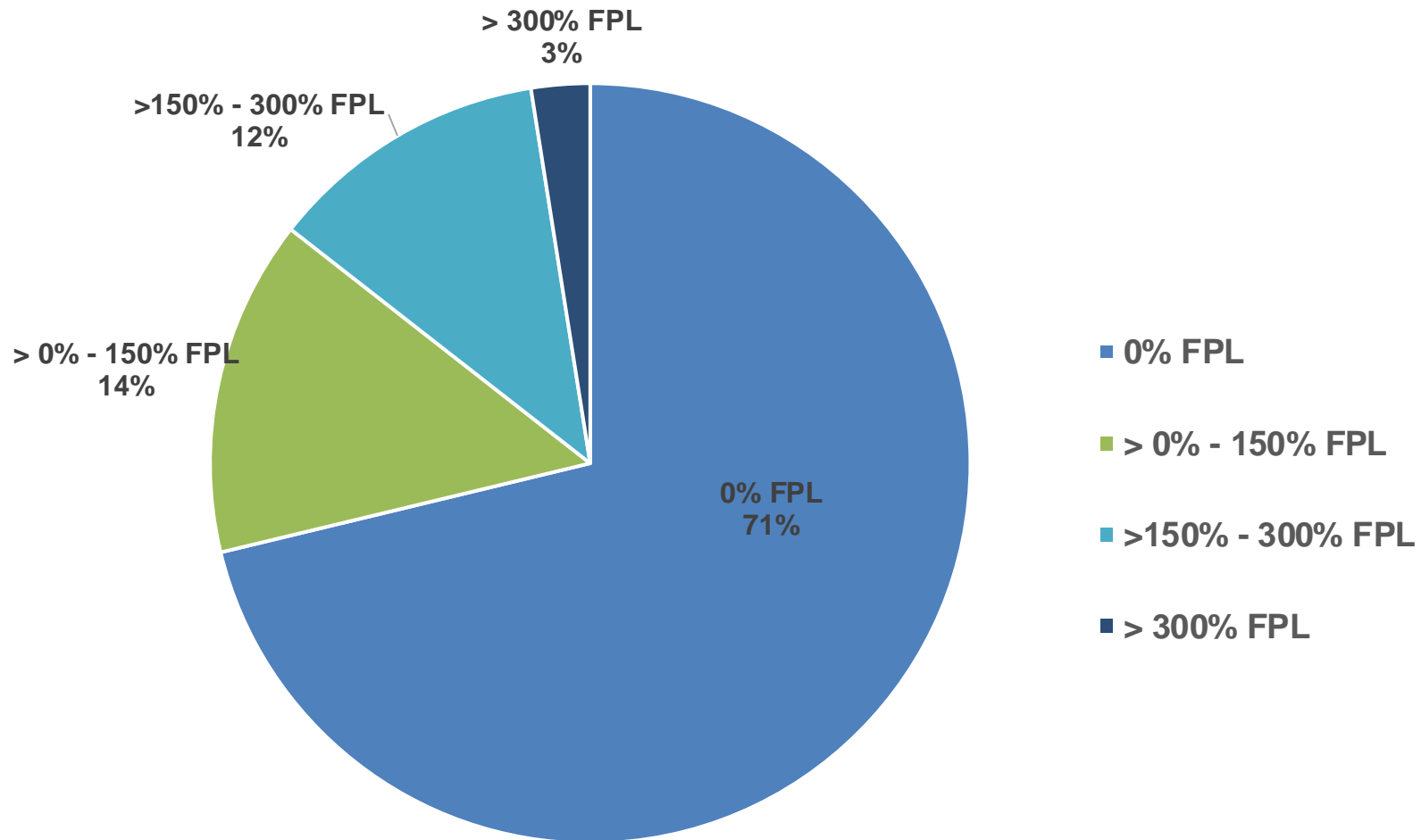
Inpatient demand is lower than anticipated due to transition of grouper vendors. Upon implementation of new grouper vendor, inpatient claims will be reprocessed, and we anticipate inpatient demand will increase.

HSN CHC Demand by Type of Service



Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Source: Health Safety Net Payment Calculation as of 9/30/23.

HSN Hospital Utilization by Federal Poverty Level (FPL)



Notes: Please note dental payment information is not included in the above calculation. The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. > 300% FPL includes individuals qualifying for Medical Hardship. Source: Health Safety Net Data Warehouse as of 9/30/2023.