

Health Safety Net Annual Report



Fiscal Year 2022

January 2023

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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 2022:

- The number of persons whose medical expenses were billed to the Health Safety Net Trust Fund.
- The total dollar amount billed to the Health Safety Net Trust Fund.
- The age, income level, and insurance status of recipients using 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 2022 (HSNFY22), which ran from October 1, 2021 through September 30, 2022.



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 services that are eligible for payment. HSN payment rates for most services are based on Medicare payment principles.

The HSN funding total for FY22 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 FY22, 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 FY22:

- 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 improve 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.



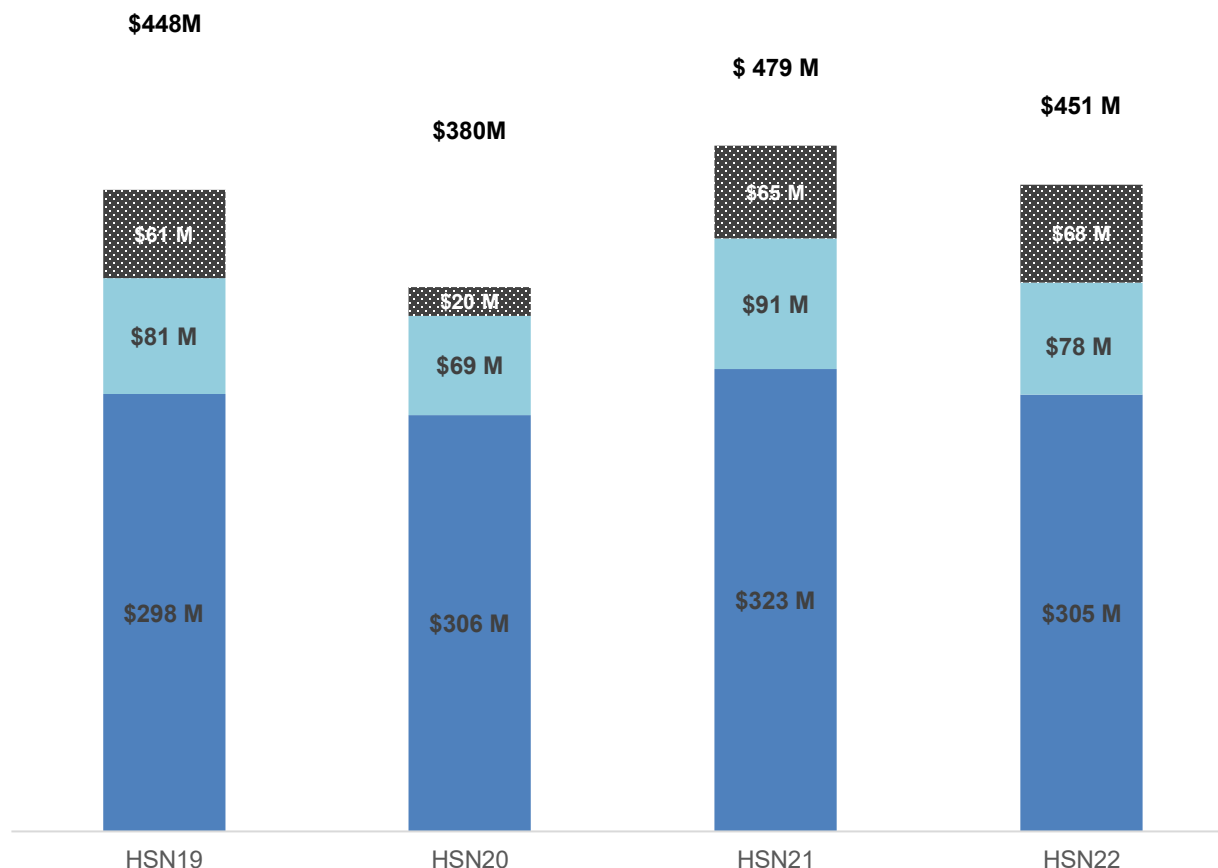
HSN Fiscal Year 2022 Updates

- The HSN shortfall increased from \$65M during HSNFY21 to \$68M during HSNFY22
- HSN received and transferred \$257.5M to the Delivery System Reform Incentive Program (DSRIP) fund as mandated by Chapter 24 of the Acts of 2021, the FY22 Budget.



HSN Total Demand and Payment Trends

■ Hospital Payments ■ CHC Payments ■ Shortfall



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

The HSN shortfall increased from \$65M during HSNFY21 to \$68M during HSNFY22.

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 09/30/22.

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

Hospital	Payments
Anna Jaques Hospital	\$ 455,989
Athol Memorial Hospital	\$ 49,166
Baystate Franklin Medical Center	\$ 361,199
Baystate Medical Center	\$ 4,854,179
Baystate Wing Hospital	\$ 716,452
Berkshire Medical Center	\$ 3,537,586
Beth Israel Deaconess Medical Center	\$ 4,955,502
Beth Israel Deaconess Hospital – Milton	\$ 77,139
Beth Israel Deaconess Hospital – Plymouth	\$ 449,953
Boston Children's Hospital	\$ 3,850,000
Boston Medical Center	\$ 102,037,340
Brigham and Women's Faulkner Hospital	\$ 935,205
Brigham and Women's Hospital	\$ 5,010,288
Cape Cod Hospital	\$ 4,079,893
Cooley Dickinson Hospital	\$ 531,438
Dana-Farber Cancer Institute	\$ 8,260,544
Fairview Hospital	\$ 613,315
Falmouth Hospital	\$ 716,766
Hallmark Health	\$ 294,864
Harrington Memorial Hospital	\$ 426,973
Health Alliance Hospital	\$ 1,332,778
Heywood Hospital	\$ 154,748
Holyoke Medical Center	\$ 381,305
Lahey Clinic	\$ 2,565,913
Lawrence General Hospital	\$ 3,162,907
Lowell General Hospital	\$ 1,847,514

Hospital	Payments
Marlborough Hospital	\$ 1,563,011
Martha's Vineyard Hospital	\$ 2,501,104
Massachusetts Eye and Ear Infirmary	\$ 2,044,309
Massachusetts General Hospital	\$ 30,520,114
Mercy Medical Center	\$ 1,581,231
MetroWest Medical Center	\$ 1,549,577
Milford Regional Medical Center	\$ 970,066
Morton Hospital, A Steward Family Hospital Inc.	\$ 568,017
Mount Auburn Hospital	\$ 929,376
Nantucket Cottage Hospital	\$ 1,342,004
Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 340,810
Newton-Wellesley Hospital	\$ 201,013
Noble Hospital	\$ 267,683
North Shore Medical Center	\$ 4,686,616
Northeast Hospital	\$ 1,388,118
Saint Vincent Hospital	\$ 915,684
Signature Healthcare Brockton Hospital	\$ 2,677,527
South Shore Hospital	\$ 2,280,629
Southcoast Hospitals Group	\$ 6,693,919
Steward Carney Hospital	\$ 798,293
Steward Good Samaritan Medical Center	\$ 2,038,799
Steward Holy Family Hospital	\$ 1,207,567
Steward Norwood Hospital	\$ 25,428
Steward Saint Anne's Hospital	\$ 1,822,782
Steward St. Elizabeth's Medical Center	\$ 1,638,009
Sturdy Memorial Hospital	\$ 1,034,203
Tufts Medical Center	\$ 3,955,803
UMass Memorial Medical Center	\$ 20,608,477

Total Hospital Disbursements for FY22:

\$247,809,126

This represents the amount disbursed from the Health Safety Net Trust Fund to each Hospital during HSN fiscal year 2022 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 2022 will be paid in subsequent fiscal years.²

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 09/30/22.

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 it's date of service fell.

HSN Amounts Disbursed to Community Health Centers

Community Health Center	FY2021 Total Paid
Boston Health Care for the Homeless Program	\$ 1,655,553
Brockton Neighborhood Health Center	\$ 10,748,300
Caring Health Center, Inc.	\$ 685,545
Charles River Community Health Center	\$ 3,656,274
CHP Health Center	\$ 381,620
Community Health Center of Cape Cod	\$ 1,041,760
Community Health Center of Franklin County, Inc.	\$ 290,484
Community Health Connections Family Health Center	\$ 2,062,100
Dimock Community Health Center	\$ 1,128,749
Duffy Health Center	\$ 34,094
Edward M. Kennedy Community Health Center, Inc.	\$ 7,952,870
Family Health Center of Worcester	\$ 3,986,881
Fenway Community Health Center	\$ 2,059,755
Geiger Gibson Community Health Center	\$ 233,200
Greater Lawrence Family Health Center, Inc.	\$ 7,155,112
Greater New Bedford Community Health Center, Inc.	\$ 2,456,839
Harbor Community Health Center - Hyannis	\$ 2,446,875
Harvard Street Neighborhood Health Center	\$ 1,429,159
HealthFirst Family Care Center, Inc.	\$ 1,938,231
Hilltown Community Health Centers, Inc.	\$ 206,126
Holyoke Health Center	\$ 2,073,187
Island Health Care	\$ 362,229
Lowell Community Health Center	\$ 6,474,951
Lynn Community Health Center	\$ 6,961,381
Manet Community Health Center, Inc.	\$ 746,506
Mattapan Community Health Center	\$ 407,618
Neponset Health Center	\$ 307,030
North End Waterfront Health	\$ 502,104
North Shore Community Health, Inc.	\$ 2,620,067
Outer Cape Health Services, Inc.	\$ 320,206
South Cove Community Health Center	\$ 1,514,627
Springfield Health Services for the Homeless	\$ 28,361
Stanley Street Treatment and Resources (SSTAR)	\$ 279,474
Upham's Corner Health Center	\$ 1,141,680
Whittier Street Health Center	\$ 3,115,076

Total Disbursements for FY22:

\$78,404,025

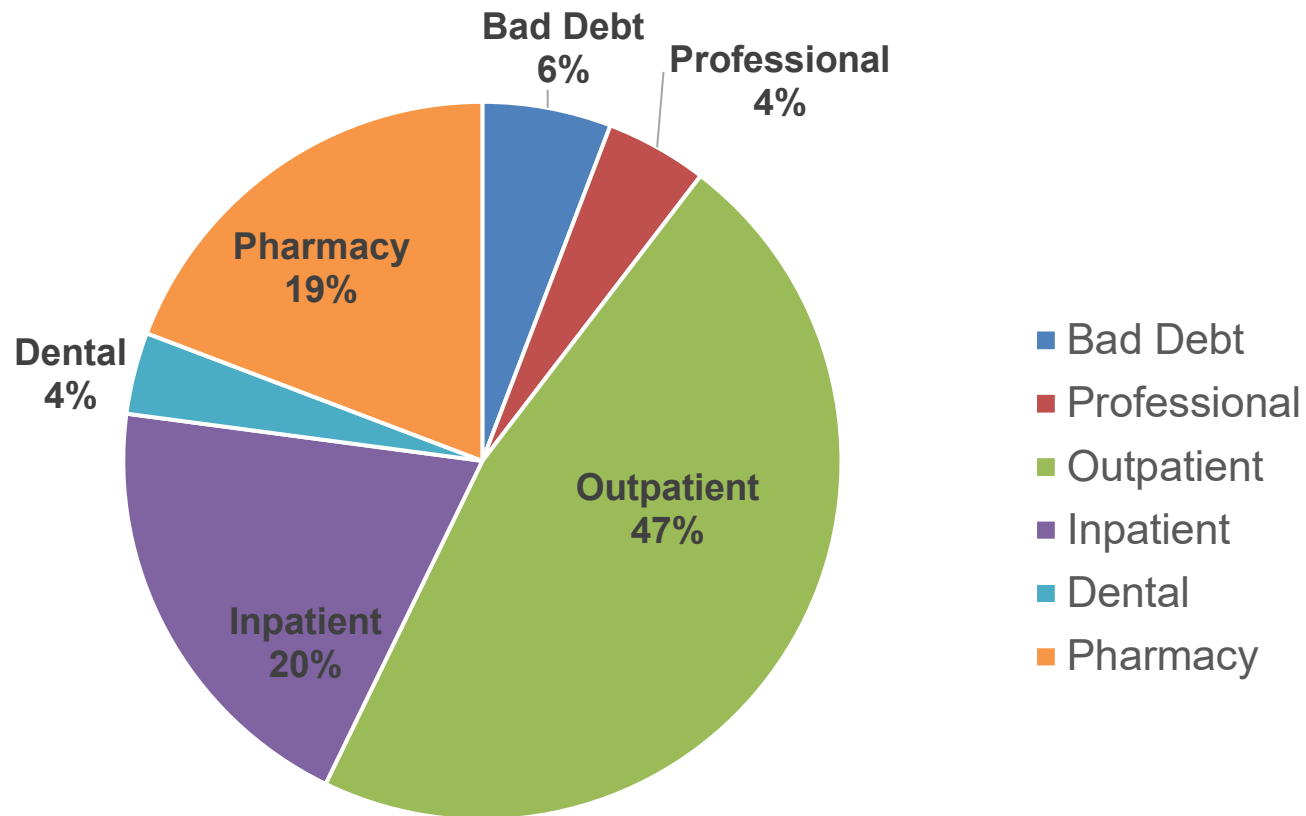
This represents the amount disbursed from the Health Safety Net Trust Fund to each Community Health Center during HSN fiscal year 2022.

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 2022 will be paid in subsequent fiscal years.

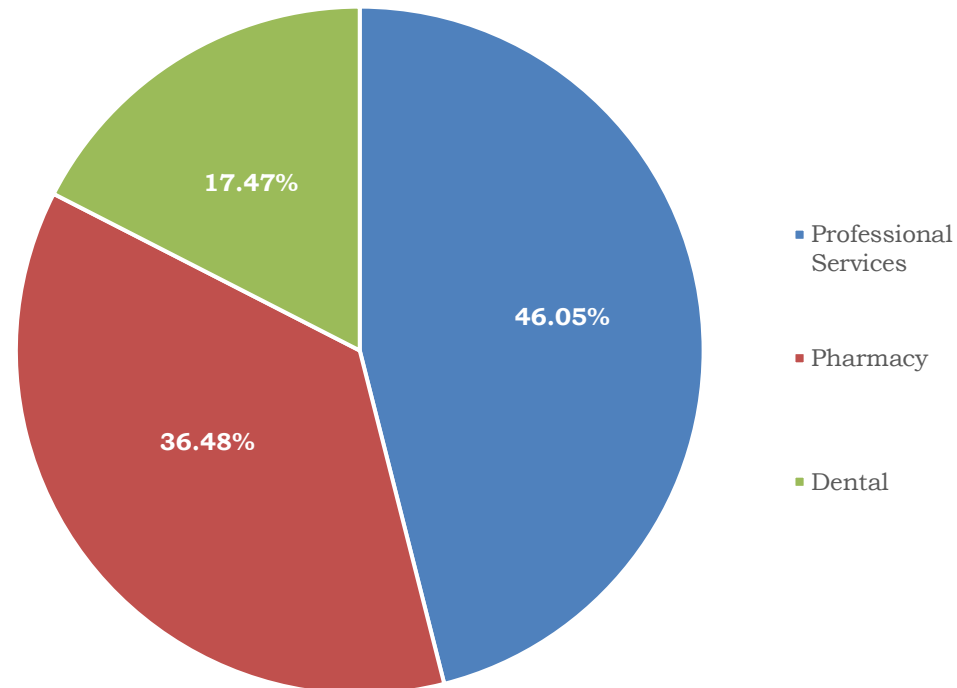
Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Community health center payments are reported in the month in which payment was made. Data reflects payment as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Source: Health Safety Net Payment Calculation as of 9/30/22.

Hospital Demand by Type of Service



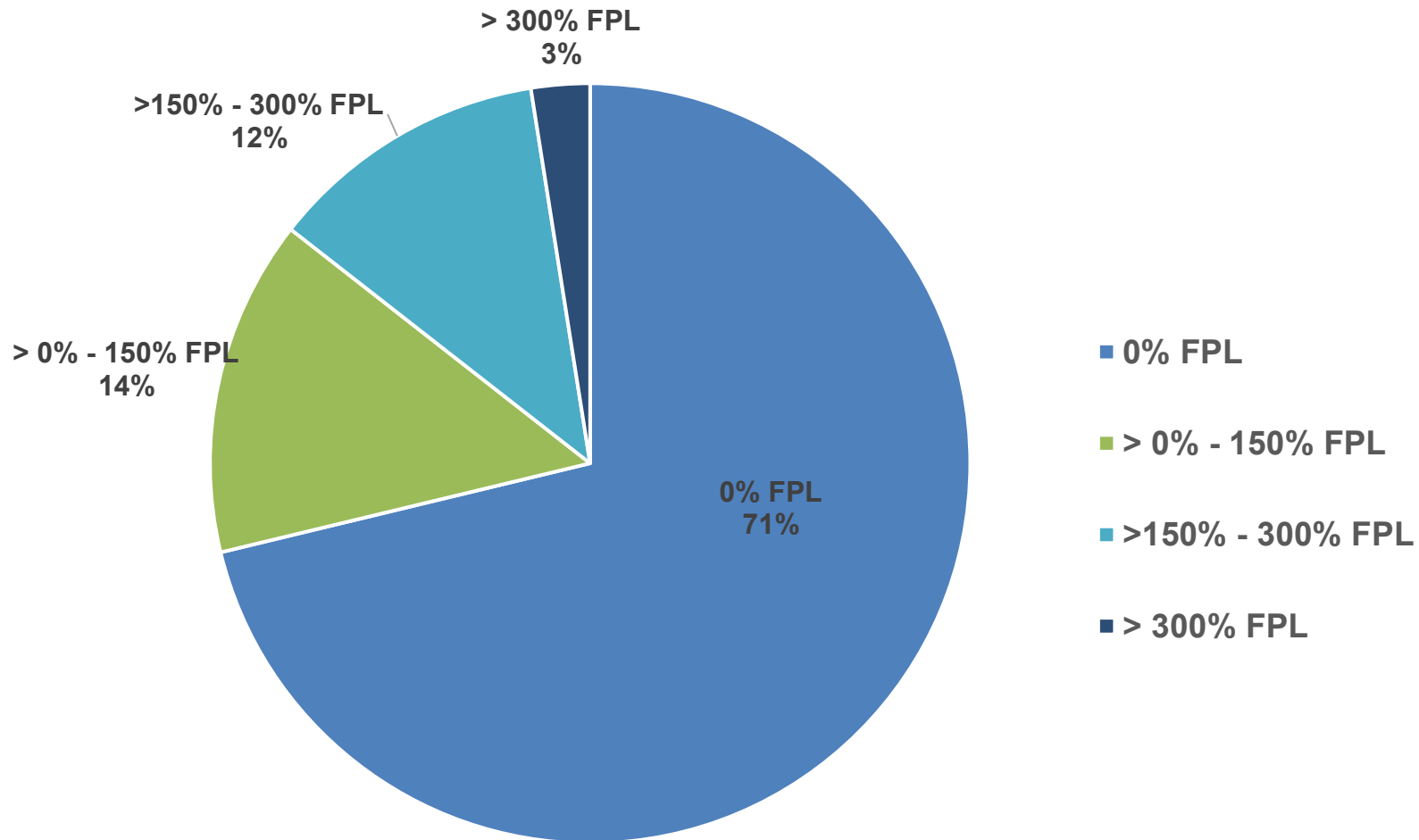
Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital Inpatient excludes pharmacy claims. Hospital inpatient payments are reported in the month in which the service was provided. Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of **09/30/2022**.

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 9/30/22.

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 9/30/2022.

