



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF MEDICAID
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October 21, 2024

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

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

Dear Chairs Michlewitz and Rodrigues,

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, infrastructure 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 will 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 is the expenditure detail for SFY17-23, and SFY24 Q1-Q3.

DSRIP Trust Fund Payments + Revenue (\$M)

	SFY17-23	SFY24 Q1	SFY24 Q2	SFY24 Q3
<u>Payments</u>				
Disability access to acute hospitals	1,567.1	0.0	0.0	31.5
Payments to ACOs	957.4	19.6	6.1	0.0
Payments to CPs	497.7	0.0	14.7	0.0
Other expenditures	209.1	0.3	6.8	5.4
Subtotal payments	3,231.2	19.9	27.6	36.9
<u>Revenue</u>				
Federal revenue	1,929.8	0.0	5.6	29.4
Acute hospital assessment	1,545.0	0.0	0.0	0.0
Subtotal revenue	3,474.8	0.0	5.6	29.4
General Fund Transfer	153.5	0	0	0
ACO & CP returned funds	-	0	6.9	5.0
Unexpended Balance	90.1	70.2	55.0	52.5

Trust Fund expenditures are not consistent every quarter due to the timing of payments to providers, which results in unexpended balances in the Trust at the end of each state fiscal year. Timing of revenue receipts can vary by quarter which may cause a negative balance in a given quarter.

As part of the DSRIP program, MassHealth prospectively paid ACOs and CPs infrastructure dollars in accordance with an approved budget for each year. At the end of the final year of DSRIP, ACOs and CPs reported final expenditures for those infrastructure dollars. Since the infrastructure dollars can only be used for DSRIP purposes and the program has now ended, MassHealth must recoup all unspent DSRIP dollars. The ACO & CP returned funds line reflects that recoupment. MassHealth must also return any federal match associated with the returned funds, which is not yet reflected in the Unexpended Balance.

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

Sincerely,



Mike Levine

cc: Kathleen E. Walsh