



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF MEDICAID
ONE ASHBURTON PLACE, BOSTON, MA 02108



MAURA T. HEALEY
GOVERNOR

KATHLEEN E. WALSH
SECRETARY

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

MIKE LEVINE
ASSISTANT SECRETARY
FOR MASSHEALTH

December 19, 2024

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 Rodrigues and Michlewitz,

Chapter 28 of the Acts of 2023, Line Item 1595-1070, requires the Executive Office of Health and Human Services (EOHHS) to submit to the Senate and House Committee on Ways and Means a report on payments, investment, and assessments of the Safety Net Provider Trust Fund. In accordance with that appropriation, funds have been expended from that line item since the beginning of state fiscal year (SFY) 2023 in accordance with the Safety Net Provider eligibility criteria and payment methodology approved in MassHealth's section 1115 demonstration waiver (the "1115 Demonstration") for SFY 2020, SFY 2021, SFY 2022, the final calendar quarter of calendar year (CY) 2022, and CY 2023.

This report provides data only for SFY 2020 through CY 2023. EOHHS has already completed Safety Net Provider Trust Fund reporting for years prior to SFY 2020. Additionally, there were no funds paid out to providers from the Safety Net Provider Trust Fund in the third quarter of CY 2022. Therefore, there is no data to provide for such calendar quarter in this report.

On September 28, 2022, CMS approved a five-year extension of the MassHealth Section 1115 Demonstration. MassHealth's previous 1115 Demonstration extension (July 1, 2017 through September 30, 2022) restructured the delivery system toward integrated, value-based and accountable care. MassHealth's new 1115 Demonstration extension (October 1, 2022 through December 31, 2027) builds on these reforms by continuing to support integrated, outcomes-based care for MassHealth members and bringing a new focus on advancing health equity by closing disparities in quality and access. Goals for the new 1115 Demonstration extension include: continuing the path of restructuring and reaffirming accountable, value-based care, making reforms and investments in primary care, behavior health, and pediatric care, advancing health equity, sustaining the safety net, and maintaining near universal coverage. The new 1115

Demonstration extension also authorized funding to continue the Commonwealth's longstanding support for safety net hospitals. The waiver authorized MassHealth to provide Safety Net Provider Payments to the safety net hospitals serving the highest proportion of MassHealth and uninsured patients in the Commonwealth.

I am grateful for your continued support of the MassHealth program and the safety net hospitals that serve a large number of our members. Please feel free to contact Sarah Nordberg at Sarah.Nordberg@mass.gov should you have any questions about this report.

Sincerely,



Mike Levine

cc: Kathleen E. Walsh

Safety Net Provider Trust Fund Legislative Report

I. Payments Made to Each Provider

Tables 1, 2, 3, 4, and 5 below, respectively identify, for SFY 2020, SFY 2021, and SFY 2022, the final calendar quarter of CY 2022, and CY 2023, (1) each of the providers who received payment from the Safety Net Provider Trust Fund and (2) the total payment made to each such provider from the Safety Net Provider Trust Fund. In accordance with the Commonwealth's Delivery System Reform Incentive Payment (DSRIP) Protocol (Appendix M to MassHealth's 1115 Demonstration extension, effective July 1, 2017 through September 30, 2022), and Safety Net Hospital Provider Payment Eligibility and Allocation Protocol (Appendix N to MassHealth's 1115 Demonstration extension, effective October 1, 2022 through December 31, 2027), EOHHS withheld a percentage of each payment from the Safety Net Provider Trust Fund. Participating safety net providers earned the withheld funds by meeting certain metrics set forth in the DSRIP Protocol or the Safety Net Hospital Provider Payment Eligibility and Allocation Protocol, as applicable. The figures listed in the "Base Payment" columns in Tables 1, 2, 3, 4, and 5 are each provider's SFY 2020, SFY 2021, SFY 2022, final calendar quarter of CY 2022, and CY 2023 allocation after subtracting each provider's withheld funds. The figures listed under the "At-Risk Funding Achieved" column are the withheld funds each provider earned after demonstrating achievement on the metrics set forth in the DSRIP Protocol or the Safety Net Hospital Provider Payment Eligibility and Allocation Protocol, as applicable. In accordance with authorization from the Secretary of Administration and Finance, EOHHS funded portions of each of the SFY 2020 and SFY 2021 Base Payments from appropriations to line item 4000-0700. Please note that EOHHS has not yet determined the full amount of each provider's SFY 2021, SFY 2022, final

¹ At-risk funding achieved as of March 2024. Payment levels will be updated, as additional performance data becomes available, in next year's report.

² Final calendar quarter of CY 2022, the start of the most recent 1115 Demonstration extension, was defined by CMS as a separate demonstration year.

³ Starting with CY 2023, the 1115 Demonstration transitioned from a SFY cadence to a CY cadence.

calendar quarter of CY 2022, and CY 2023 At-Risk Funding Achieved, as a portion of these figures is tied to performance measure results that are not yet available. Final performance data for SFY 2021, SFY 2022, and the last calendar quarter of CY 2022 is expected to be available by the end of CY 2024. Final performance data for CY 2023 is expected to be available by the end of CY 2025. The safety net providers will earn all, some, or none of the remaining withheld funds based on their performance against those metrics.

Table 1. SFY 2020 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$98,327,500.00	\$7,885,121.40
Holyoke Medical Center	\$6,003,250.00	\$481,415.22
Lawrence General Hospital	\$11,562,500.00	\$913,503.76
Mercy Medical Center	\$11,285,000.00	\$850,299.13
Signature Healthcare Brockton Hospital	\$12,487,500.00	\$1,007,235.00
Steward Carney Hospital	\$4,736,000.00	\$360,906.24
Baystate Medical Center	\$5,189,250.00	\$408,847.82
North Shore Medical Center	\$3,117,250.00	\$240,855.82
Southcoast Hospital Group	\$3,764,750.00	\$274,989.55
Tufts Medical Center	\$3,145,000.00	\$235,854.60
Morton Hospital	\$462,500.00	\$35,244.75
Franklin Medical Center	\$434,750.00	\$34,252.85
Berkshire Medical Center	\$1,507,750.00	\$115,288.28
Good Samaritan Hospital	\$878,750.00	\$66,965.04

Table 2. SFY 2021 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$93,012,500.00	\$10,649,080.85
Holyoke Medical Center	\$5,678,750.00	\$650,164.96
Lawrence General Hospital	\$10,675,000.00	\$1,498,500.38
Mercy Medical Center	\$10,605,000.00	\$1,199,331.57
Signature Healthcare Brockton Hospital	\$11,637,500.00	\$1,353,863.53
Steward Carney Hospital	\$4,480,000.00	\$499,871.39
Baystate Medical Center	\$4,908,750.00	\$516,922.79
North Shore Medical Center	\$2,948,750.00	\$328,764.50
Southcoast Hospital Group	\$3,561,250.00	\$416,469.87

¹ At-risk funding achieved as of March 2024. Payment levels will be updated, as additional performance data becomes available, in next year's report.

² Final calendar quarter of CY 2022, the start of the most recent 1115 Demonstration extension, was defined by CMS as a separate demonstration year.

³ Starting with CY 2023, the 1115 Demonstration transitioned from a SFY cadence to a CY cadence.

Tufts Medical Center	\$2,975,000.00	\$320,146.55
Morton Hospital	\$437,500.00	\$48,815.57
Franklin Medical Center	\$411,250.00	\$43,307.26
Berkshire Medical Center	\$1,426,250.00	\$159,363.59
Good Samaritan Hospital	\$831,250.00	\$92,749.58

Table 3. SFY 2022 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$86,798,250.00	\$5,323,889.02
Holyoke Medical Center	\$5,354,250.00	\$328,410.22
Lawrence General Hospital	\$9,462,750.00	\$518,049.44
Mercy Medical Center	\$9,933,000.00	\$601,506.36
Signature Healthcare Brockton Hospital	\$10,947,750.00	\$692,484.99
Steward Carney Hospital	\$4,224,000.00	\$248,656.03
Baystate Medical Center	\$4,628,250.00	\$237,954.32
North Shore Medical Center	\$2,780,250.00	\$161,901.54
Southcoast Hospital Group	\$3,357,750.00	\$217,334.95
Tufts Medical Center	\$2,805,000.00	\$159,081.75
Morton Hospital	\$412,500.00	\$24,282.82
Franklin Medical Center	\$387,750.00	\$19,935.57
Berkshire Medical Center	\$1,344,750.00	\$79,477.29
Good Samaritan Hospital	\$783,750.00	\$46,137.35

Table 4. Final Calendar Quarter of CY 2022 Safety Net Provider Payments²

Provider	Base Payment
Boston Medical Center	\$34,865,000.00
Holyoke Medical Center	\$2,151,000.00
Lawrence General Hospital	\$3,801,000.00
Mercy Medical Center	\$3,990,000.00
Signature Healthcare Brockton Hospital	\$4,398,000.00
Steward Carney Hospital	\$1,697,000.00
Baystate Medical Center	\$4,434,000.00
North Shore Medical Center	\$2,303,000.00
Southcoast Hospital Group	\$3,631,000.00
Tufts Medical Center	\$4,083,000.00
Morton Hospital	\$394,000.00

¹ At-risk funding achieved as of March 2024. Payment levels will be updated, as additional performance data becomes available, in next year's report.

² Final calendar quarter of CY 2022, the start of the most recent 1115 Demonstration extension, was defined by CMS as a separate demonstration year.

³ Starting with CY 2023, the 1115 Demonstration transitioned from a SFY cadence to a CY cadence.

Franklin Medical Center	\$389,000.00
Berkshire Medical Center	\$1,492,000.00
Good Samaritan Hospital	\$876,000.00
Baystate Noble Hospital	\$211,000.00
Baystate Wing Hospital	\$312,000.00
Heywood Memorial Hospital	\$499,000.00
Martha's Vineyard Hospital	\$291,000.00
Steward Holy Family Hospital	\$989,000.00
Lowell General Hospital	\$1,887,000.00
Shriners Hospital For Children Boston	\$219,000.00
Shriners Hospital For Children Springfield	\$135,000.00
MetroWest Medical Center	\$1,606,000.00

Table 5. CY 2023 Safety Net Provider Payments³

Provider	Base Payment
Boston Medical Center	\$111,566,400.00
Holyoke Medical Center	\$6,882,400.00
Lawrence General Hospital	\$12,163,200.00
Mercy Medical Center	\$12,767,200.00
Signature Healthcare Brockton Hospital	\$14,072,000.00
Steward Carney Hospital	\$5,429,600.00
Baystate Medical Center	\$14,188,000.00
North Shore Medical Center	\$7,370,400.00
Southcoast Hospital Group	\$11,619,200.00
Tufts Medical Center	\$13,066,400.00
Morton Hospital	\$1,260,000.00
Franklin Medical Center	\$1,243,200.00
Berkshire Medical Center	\$4,775,200.00
Good Samaritan Hospital	\$2,804,000.00
Baystate Noble Hospital	\$676,000.00
Baystate Wing Hospital	\$997,600.00
Heywood Memorial Hospital	\$1,596,000.00
Martha's Vineyard Hospital	\$932,000.00
Steward Holy Family Hospital	\$3,163,200.00
Lowell General Hospital	\$6,039,200.00
Shriners Hospital For Children Boston	\$700,000.00

¹ At-risk funding achieved as of March 2024. Payment levels will be updated, as additional performance data becomes available, in next year's report.

² Final calendar quarter of CY 2022, the start of the most recent 1115 Demonstration extension, was defined by CMS as a separate demonstration year.

³ Starting with CY 2023, the 1115 Demonstration transitioned from a SFY cadence to a CY cadence.

Shriners Hospital For Children Springfield	\$45,800.00
MetroWest Medical Center	\$5,137,600.00

II. Provider Investments and Assessments of Recipient Provider

As stated in MassHealth’s 1115 Demonstration, the Commonwealth may make Safety Net Provider Payments to eligible hospitals, in recognition of safety net providers in the Commonwealth that serve a large proportion of Medicaid and uninsured individuals and have a demonstrated need for support to address “uncompensated care costs,” as that term is defined at 42 CFR 447.299. These payments are intended to provide ongoing and necessary operational support; as such, they are not specifically for the purposes of delivery system reform, are not time limited, and recipients are not required to report to EOHHS on the specific uses of the funds.

Providers receiving Safety Net Provider Payments in accordance with MassHealth’s 1115 Demonstration were required to meet certain accountability requirements, aligned with the overall goals identified in the 1115 Demonstration. In each year of the 1115 Demonstration, hospitals that receive Safety Net Provider Payments were required to participate in one of MassHealth’s Accountable Care Organization (“ACO”) models. In turn, all participants in MassHealth’s ACO program were required to make investments in and adjustments to their delivery systems, or meet metrics in health quality and total cost of care, as applicable, in order to meaningfully participate in the program.

A portion of each provider’s Safety Net Provider Payment was at risk during each year of the 1115 Demonstration, subject to that provider’s performance against a series of accountability and performance measures specified in the Commonwealth’s DSRIP Protocol for the 1115 Demonstration, effective July 1, 2017 through September 30, 2022. Starting with October 1, 2022, under the new 1115 Demonstration extension, at risk funding is subject to quality and total cost of care performance, as specified in the Safety Net Hospital Provider Payment Eligibility and Allocation Protocol. For each of SFYs 2020, 2021, and 2022, EOHHS has made payments (see Tables 1, 2, and 3 At-Risk Funding Achieved) based on performance data available as of March 2024. Final performance data for SFY 2021, SFY 2022, and the final calendar quarter of CY 2022 is expected to be available by the end of CY 2024. Final performance data for CY 2023 is expected to be available by the end of CY 2025. As performance data becomes available for SFY 2021, SFY 2022, the final calendar quarter of CY 2022, and CY 2023 payments will be made according to each hospital’s achievement.

¹ At-risk funding achieved as of March 2024. Payment levels will be updated, as additional performance data becomes available, in next year’s report.

² Final calendar quarter of CY 2022, the start of the most recent 1115 Demonstration extension, was defined by CMS as a separate demonstration year.

³ Starting with CY 2023, the 1115 Demonstration transitioned from a SFY cadence to a CY cadence.