



Health Safety Net Annual Report

Fiscal Year 2024

10/1/23-9/30/24

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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 140 of the Acts of 2024, 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 2024:

- The number of persons whose medical expenses were paid by the Health Safety Net Trust Fund.
- The total dollar amount of reimbursable health services 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 2024 (FY24), which ran from October 1, 2023, through September 30, 2024.



HSN Overview

The Health Safety Net (HSN), created by Chapter 58 of the Acts of 2006, makes payments to hospitals and Community Health Centers (CHCs) 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 pay a contribution based on their family's countable income.



HSN Funding Sources

The HSN is primarily funded through the hospital assessment and the MCO services assessment. In FY24, HSN funding totaled \$363 million from the following sources¹:

Funding Sources	
Acute hospital assessment on private sector charges	\$165 million
Managed Care Organization services assessment ²	\$165 million
Commonwealth General Fund	\$16 million
Additional onetime funding ³	\$17 million
TOTAL	\$363 million

Offset funding: Outside of the HSN Trust Fund, an additional \$70 million from the Medical Assistance Trust Fund (MATF) was used to offset uncompensated care costs. In FY24, MATF disbursements were made to Cambridge Health Alliance (\$50 million) and Boston Medical Center (\$20 million).

1. Funding amounts listed are rounded and not exact.
2. Any overcollections from Managed Care Organization payors above \$165 million are allocated to future HSN fiscal years' MCO assessment.
3. Onetime funding includes funding from interests, penalties, recoveries, and other miscellaneous sources. Please note there is \$46.3 million in uncollected hospital assessment due to the closure of Steward Health Care hospitals. The uncollected assessment is currently part of bankruptcy litigation at the time of this publication.

HSN Funding Uses

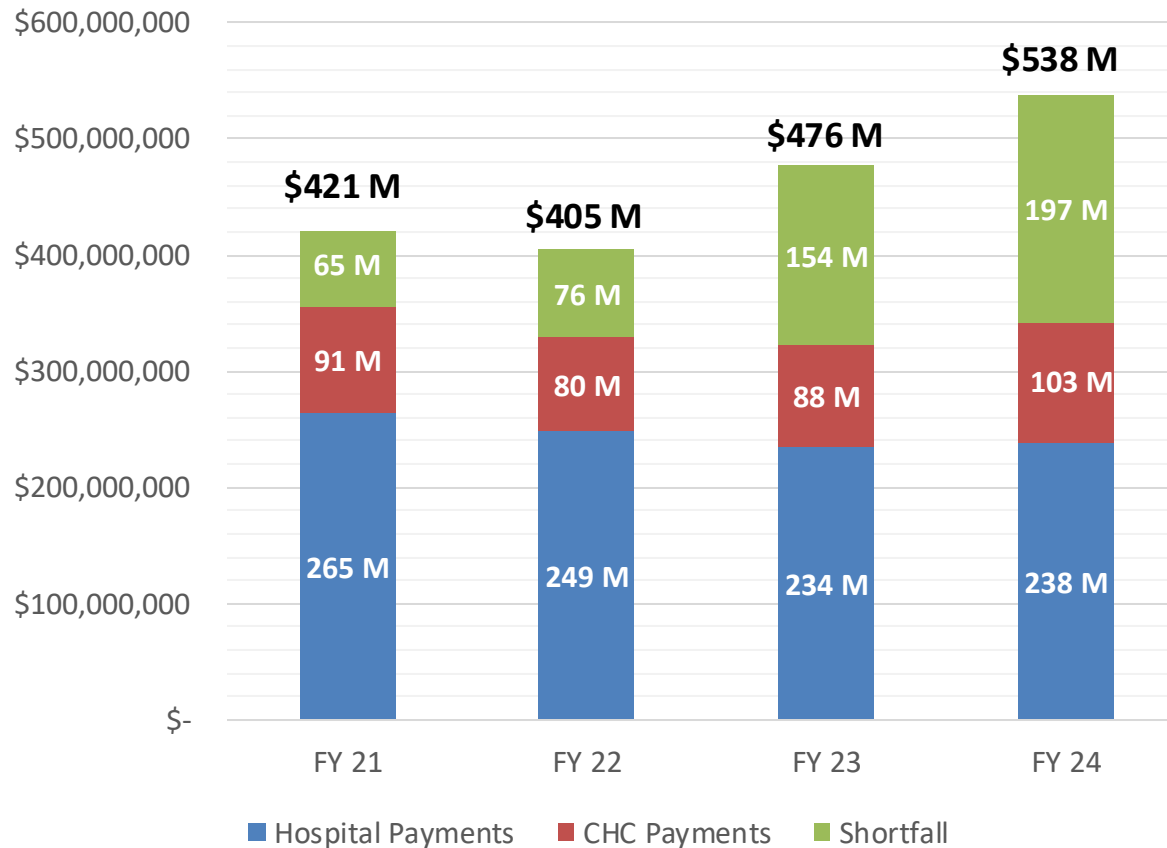
The HSN pays eligible acute care hospitals and community health centers for providing reimbursable health services to low-income patients. HSN payment rates for most services are based on Medicare-like payment methodologies. The HSN allocated funding for HSN Fiscal Year 2024 to the following¹:

Funding Uses	
Hospitals	\$238 million
Community Health Centers	\$103 million
Administrative costs	\$10 million
Medicare Savings Program Expansion	\$8 million ²
Demonstration projects	\$3 million ³
Office of the Inspector General auditing	\$1 million ⁴
TOTAL	\$363 million

1. Final reconciliation for HSN FY24 is not complete. The totals listed are subject to change as long as the fiscal year remains open to account for claim reconciliations, payment adjustments, etc.
2. The Medicare Savings Program is a Massachusetts Executive Office of Health and Human Services program that pays for Medicare Part A and B premiums for eligible low-income seniors. In HSN FY24, \$7.7M in HSN funding was provided to this program, as there is an expectation that this program reduces HSN demand in the relevant population.
3. The Fishing Partnership was awarded \$2M in demonstration funding, pursuant to a legislative requirement. \$50,000 was awarded to a drug utilization management contract for pharmacy service review. \$963,132 was awarded to a grant to community organizations to provide Long-Acting Reversible Contraception access.
4. The \$1M expenditure for the Office of the Inspector General audit is in accordance with a legislative requirement established in the Massachusetts fiscal year 2024 budget.



Total Allowable 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 to \$197M in FY24. This is a 28% increase from the FY23 shortfall.

The Health Safety Net fiscal year runs from October 1 through September 30. 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. Total Allowable Demand does not include hospital offset demand of up to \$20M for BMC and up to \$50M for CHA (this may be different than prior year's annual reports). Note that in FY21, HSN received a one-time payment of \$20M to CHCs and \$10M to Hospital Licensed Health Centers, which is included in the above totals. Source: Health Safety Net Payment Calculation as of 12/13/2024.

Amounts Disbursed to Hospitals (after Shortfall)

Hospital	Payments
Anna Jaques Hospital	\$ 291,062
Athol Memorial Hospital	\$ 152,781
Baystate Franklin Medical Center	\$ 498,151
Baystate Medical Center	\$ 4,784,351
Baystate Wing Hospital	\$ 759,417
Berkshire Medical Center	\$ 3,478,432
Beth Israel Deaconess Medical Center	\$ 16,484,125
Beth Israel Deaconess Hospital – Needham	\$
Beth Israel Deaconess Hospital – Milton	\$ 286,554
Beth Israel Deaconess Hospital – Plymouth	\$ 382,314
Boston Children's Hospital	\$ 3,850,000
Boston Medical Center	\$ 112,938,889
Brigham and Women's Faulkner Hospital	\$ 2,311,039
Brigham and Women's Hospital	\$
Cape Cod Hospital	\$ 7,516,930
Cooley Dickinson Hospital	\$ 665,957
Dana-Farber Cancer Institute	\$
Emerson Hospital	\$
Fairview Hospital	\$ 695,656
Falmouth Hospital	\$ 1,027,829
Hallmark Health	\$ 593,686
Harrington Memorial Hospital	\$ 444,277
Health Alliance Hospital	\$ 1,338,099
Heywood Hospital	\$ 311,738
Holyoke Medical Center	\$ 861,015
Lahey Clinic	\$ 2,020,326
Lawrence General Hospital	\$ 3,985,001
Lowell General Hospital	\$ 3,003,952

Hospital	Payments
Marlborough Hospital	\$ 1,188,457
Martha's Vineyard Hospital	\$ 3,382,272
Massachusetts Eye and Ear Infirmary	\$
Massachusetts General Hospital	\$
Mercy Medical Center	\$ 1,125,150
MetroWest Medical Center	\$ 1,568,731
Milford Regional Medical Center	\$
Morton Hospital, A Steward Family Hospital Inc.	\$ 970,935
Mount Auburn Hospital	\$
Nantucket Cottage Hospital	\$ 381,929
Nashoba Valley Med Ctr, A Steward Family Hospital	\$ 326,326
New England Baptist Hospital	\$
Newton-Wellesley Hospital	\$
Noble Hospital	\$ 445,228
North Shore Medical Center	\$ 5,712,776
Northeast Hospital	\$ 1,895,922
Saint Vincent Hospital	\$ 976,732
Shriners Hospitals for Children	\$
Signature Healthcare Brockton Hospital	\$ 1,645,039
South Shore Hospital	\$ 3,086,135
Southcoast Hospitals Group	\$ 7,030,762
Steward Carney Hospital	\$ 820,649
Steward Good Samaritan Medical Center	\$ 2,350,180
Steward Holy Family Hospital	\$ 1,772,539
Steward Norwood Hospital	\$ 9,597
Steward Saint Anne's Hospital	\$ 1,402,058
Steward St. Elizabeth's Medical Center	\$ 2,405,775
Sturdy Memorial Hospital	\$ 1,549,089
Tufts Medical Center	\$ 6,096,573
UMass Memorial Medical Center	\$ 23,528,756
Winchester Hospital	\$

Total Hospital Disbursements for FY24: **\$238,353,192**

The table shows the amount disbursed from the HSN Trust Fund to each hospital during HSN FY24.

Hospitals with no payment amounts shown are non-Disproportionate Share Hospitals which did not receive any HSN payments in FY24 due to the size of the HSN shortfall.

HSN payments are allocated according to methodology detailed in 101 CMR 614.00: *Health Safety Net Payments and Funding*.

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.

Hospital payments are reported in the month in which payment was made. Data reflected are as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Remediated claims and calculations may be submitted after the conclusion of the HSN fiscal year.

Source: Health Safety Net Payment Calculation as of 12/13/2024.



Amounts Disbursed to Community Health Centers

Community Health Center	Payments
Boston Health Care for the Homeless Program	\$ 1,923,851
Brockton Neighborhood Health Center	\$ 15,066,455
Caring Health Center, Inc.	\$ 1,249,923
Charles River Community Health Center	\$ 5,055,597
CHP Health Center	\$ 496,417
Community Health Center of Cape Cod	\$ 1,578,261
Community Health Center of Franklin County, Inc.	\$ 305,377
Community Health Connections Family Health Center	\$ 3,368,019
Dimock Community Health Center	\$ 1,793,440
Duffy Health Center	\$ 193,850
Edward M. Kennedy Community Health Center, Inc.	\$ 8,083,523
Family Health Center of Worcester	\$ 4,343,813
Fenway Community Health Center	\$ 2,935,158
Geiger Gibson Community Health Center	\$ 337,463
Greater Lawrence Family Health Center, Inc.	\$ 9,062,895
Greater New Bedford Community Health Center, Inc.	\$ 2,934,889
Harbor Community Health Center - Hyannis	\$ 2,619,532
Harvard Street Neighborhood Health Center	\$ 2,539,578
HealthFirst Family Care Center, Inc.	\$ 3,027,914
Hilltown Community Health Centers, Inc.	\$ 196,483
Holyoke Health Center	\$ 2,348,714
Island Health Care	\$ 386,346
Lowell Community Health Center	\$ 10,026,640
Lynn Community Health Center	\$ 8,578,261
Manet Community Health Center, Inc.	\$ 1,232,608
Mattapan Community Health Center	\$ 352,619
Neponset Health Center	\$ 707,099
North End Waterfront Health	\$ 650,666
North Shore Community Health, Inc.	\$ 3,558,753
Outer Cape Health Services, Inc.	\$ 639,607
South Cove Community Health Center	\$ 1,362,161
Springfield Health Services for the Homeless	\$ 1,132
Stanley Street Treatment and Resources (SSTAR)	\$ 666,942
Upham's Corner Health Center	\$ 1,191,166
Whittier Street Health Center	\$ 3,983,976

Total Community Health Center Disbursements for FY24: **\$102,799,128**

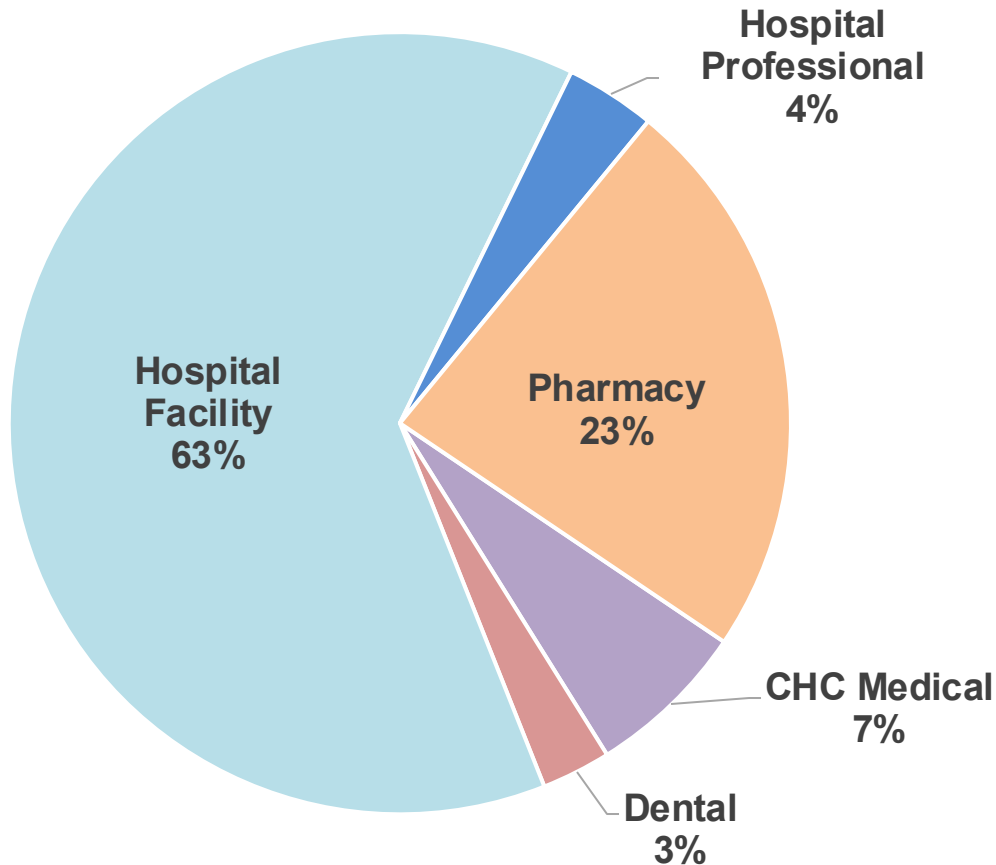
The table shows the amount disbursed from the HSN Trust Fund to each CHC during HSN FY24.

Community health center payments are reported in the month in which payment was made. Data reflect payments as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Remediated claims and calculations may be submitted after the conclusion of the HSN fiscal year.

Source: Health Safety Net Payment Calculation as of 12/13/2024.



Demand by Service Type



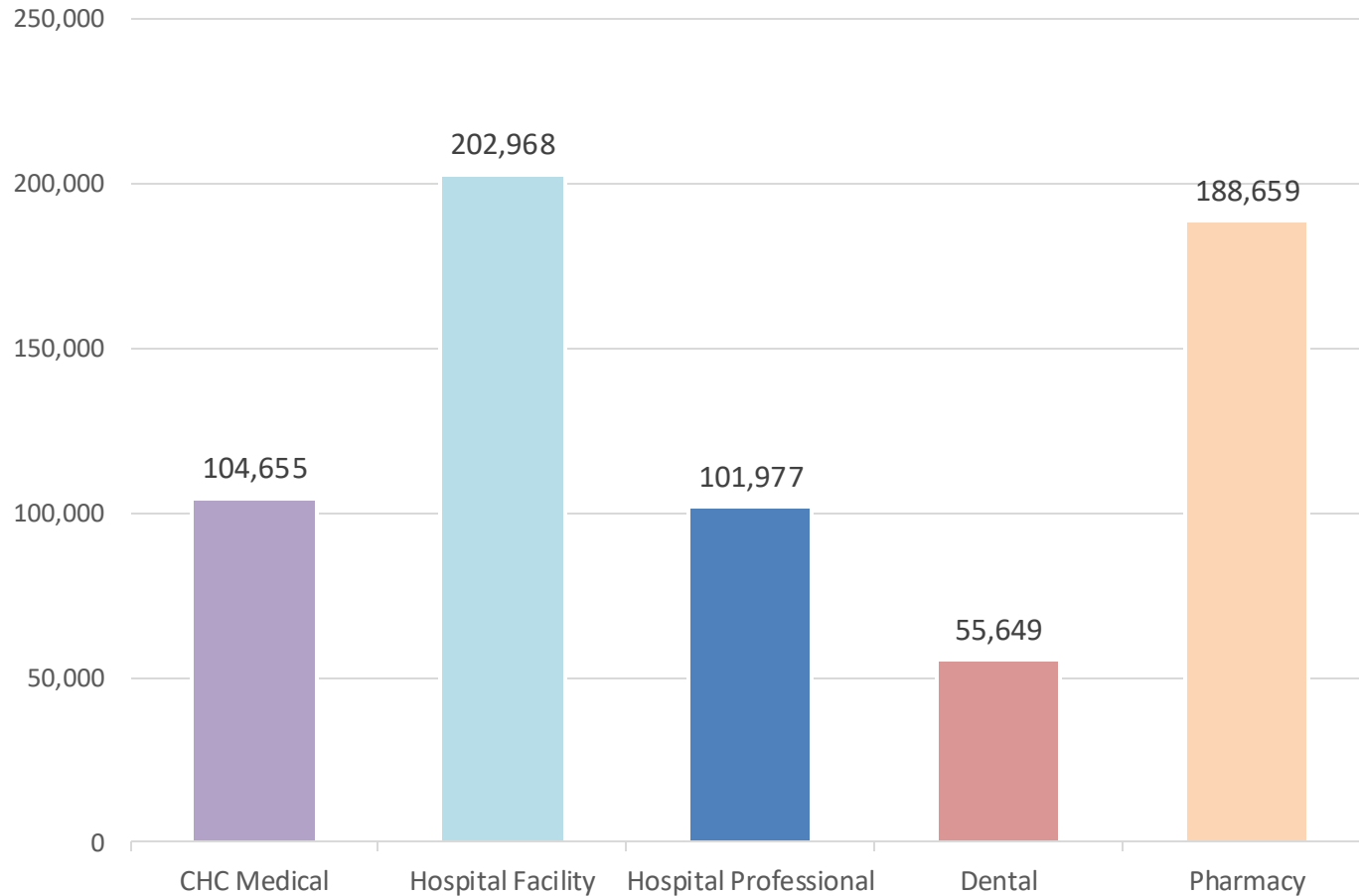
Demand represents the amount that providers would have been paid in the absence of a funding shortfall.

Of total HSN demand, hospital facility demand makes up 63%, followed by pharmacy demand at 23%.

Pharmacy and dental claims must be billed through a hospital or CHC.

Pharmacy claims are counted separately and are not included in hospital facility claims.
Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of 12/13/2024.

Number of Recipients with Claims by Service Type



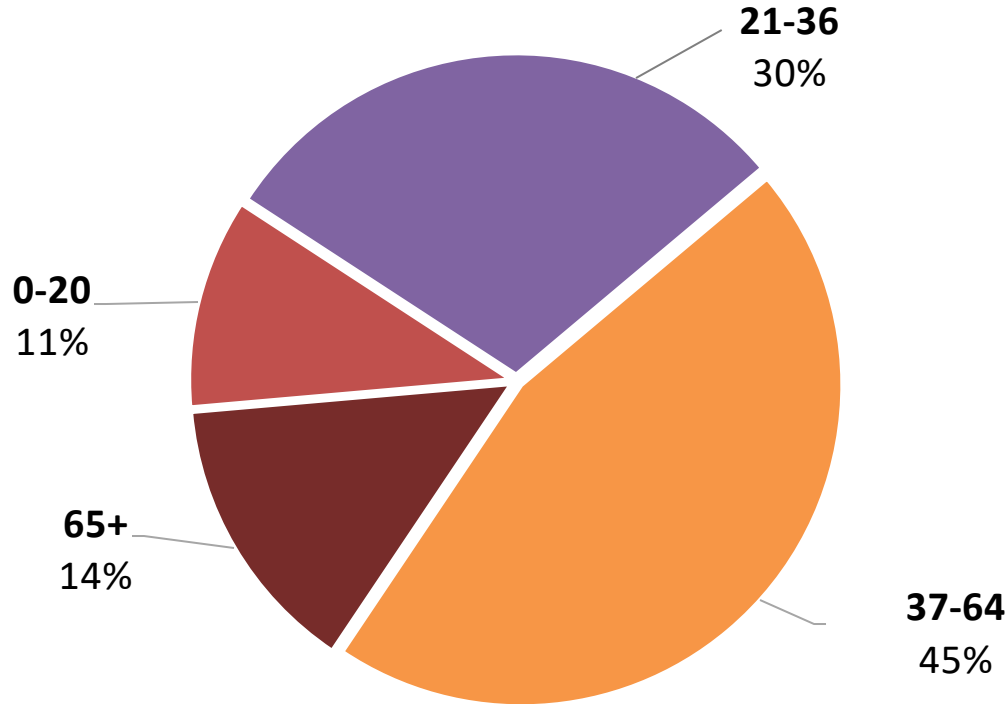
Pharmacy claims are counted separately and are not included in hospital facility or CHC claims.

This chart shows the number of recipients that experienced a claim by service type.

Source: Health Safety Net Data Warehouse and Health Safety Net Payment Calculation as of **12/13/2024**.



HSN Recipients by Age



An HSN recipient is a person receiving services that are paid for by the HSN during the Fiscal Year.

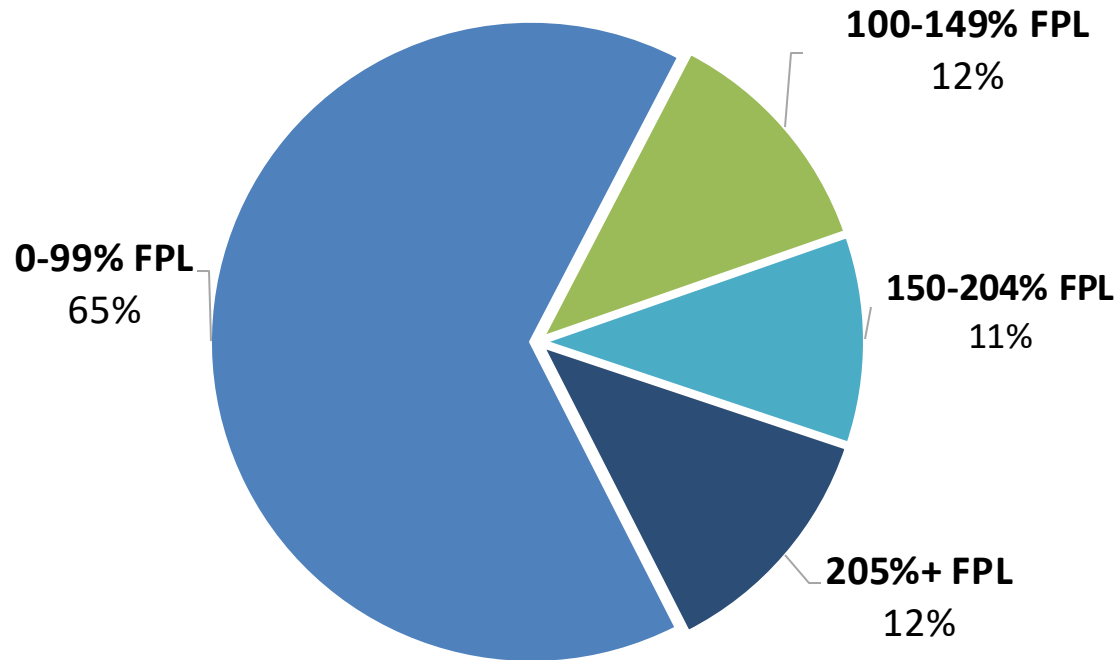
Most HSN recipients in FY24 (75%) were between 21 and 64 years old.

Fewer adults 65+ were served by HSN funds because these adults are often covered by Medicare, for which HSN can act as a secondary payer.

Low-income children are often eligible for MassHealth benefits, so they make up a smaller share of HSN recipients.

Source: Health Safety Net Data Warehouse as of 12/13/2024.

HSN Recipients by Federal Poverty Level (FPL)



Total HSN recipients in FY24: **259,646**

HSN eligibility is based on an individual's modified adjusted gross income level. Most HSN recipients in FY24 (65%) had an income less than 100% of the FPL.

HSN recipients with an income between 150-300% FPL have an annual deductible for HSN payment of health services.

Source: Health Safety Net Data Warehouse as of 12/13/2024.