



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF MEDICAID
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September 1, 2026

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

Secretary Matthew Gorzkowicz
Executive Office for Administration & Finance
State House, Room 373
Boston MA, 02133

Dear Chair Michlewitz, Chair Rodrigues, and Secretary Gorzkowicz:

Please accept this letter and related attachments as the annual report and quarterly report pursuant to Section 2, appropriation 4000-0321 of Chapter 9 of the Acts of 2025. The pertinent reporting language reads as follows:

...and provided further, that not later than December 19, 2025, the executive office shall submit a report to the executive office for administration and finance and the house and senate committees on ways and means detailing: (a) the amounts of the agreements; (b) a delineation of all ongoing and new projects; and (c) the amount of federal reimbursement and cost avoidance derived from the contracts for the previous fiscal year's activities.

The Executive Office of Health and Human Services' (EOHHS) maintains ongoing business relationships with several vendors including the University of Massachusetts Chan Medical School (*forHealth/UMass*), Public Consulting Group (PCG), Accenture, and other vendors to provide expertise in health care consulting opportunities, third party liability (TPL), and clinical resources for the Commonwealth. These relationships have been instrumental in assisting the Commonwealth with achieving significant program savings through revenue enhancement and cost avoidance strategies.

The summary of projects and table attached contain details of contingency agreements between EOHHS and its health care vendors and the actuals/projections for revenue and cost avoidance projects as well as the estimated fees for the state fiscal year (SFY) 2025. As you can see, these projects have yielded total cost avoidance and revenue for SFY 2025 of approximately \$8.6 billion.

Your continued support for maintaining and expending on these contingency based contracts is much appreciated. If you have any further questions or require addition information, please do not hesitate to contact Shane Blundell at Shane.Blundell@mass.gov.

Sincerely,

Kiame Mahaniah, MD, MBA

Encl.

Brief Summary of Contingency Projects

forHealth/UMass

- MassHealth Revenue and Savings - The primary goal of this project is to identify other insurers including commercial health insurers and Medicare to cover the cost of providing health care to MassHealth and Health Safety Net (HSN) members. This also includes estate recoveries, premium assistance, and enhanced coordination of medically complex Medicaid benefits, federal claiming, CHIP, Health Services Initiatives (HSI), Non-Acute Hospital Payment on Account Factor adjustment and School Based Claiming which collects Federal Financial Participation (FFP) for school district spending on direct Medicaid eligible medical services.
- Program Integrity and Compliance- EOHHS is required to perform activities that identify potential fraud, waste and abuse, and to ensure integrity of the Medicaid program. The contract provides surveillance utilization reviews, provider audits, and recovery activities.
- EOHHS Revenue - The purpose of this contract is to maximize reimbursement for the cost for health care and other public services provided by various health and human service agencies including payment rate setting, medical billing, accounts receivable management, and administrative claiming.
- New Initiatives- The purpose of this ISA is to identify and develop new cost avoidance and revenue opportunities for EOHHS. Prospective eligibility review of long-term care applicants (asset verification), Medicare outreach and enrollment, Medicare missed entitlement, Medicare Part B cost avoidance, Third Party Liability screening using the Public Assistance Reporting Information System (PARIS), Enhanced Lien Services, and Long-Term Care monitoring are examples of some of our new initiatives. One of the newer projects, Enhanced Coordination of Benefits for Community Services for newly Determined Disabled has generated \$9M in cost savings for the Medicaid program. A new Eligibility and Program Integrity project that reviews/reconciles all cases between MA21 and HIX and redirects to HIX or closes any cases that no longer meet eligibility standards has generated \$83M in savings in FY25. This project is projected to save over \$100M once fully implemented.

Accenture

- Health Insurance Investigation and Claims Recovery- The primary goal of this project is to identify other commercial health insurers to cover the cost of providing health care to MassHealth and HSN and the implementation of the premium assistance program.

PCG

- TANF Contingency Fund- PCG provides EOHHS and the Department of Transitional Assistance (DTA) with consulting services on the Temporary Assistance to Needy Families (TANF) program including identifying new programs available for claiming, maintenance of efforts determinations, data matching, and assistance with random moment time studies.
- CPE for Public Ambulance Providers- The primary goal of this project is to claim Certified Public Expenditures (CPE) for government ambulance providers serving Medicaid clients up to allowable costs. Last year, 115 Ambulance providers participated, and cities/ towns received \$22M in FFP.
- Financial Asset Verification- PCG performs an analysis of all new applications for Medicaid to ensure that all bank accounts information is properly reported and shares this information with the Medicaid Eligibility Centers.
- TCM Claiming- The Commonwealth received approval of a State Plan Amendment (SPA) in early August 2020 that will allow the Department of Children and Families (DCF) to claim Targeted Case Management (TCM) for children receiving these services provided from DCF social workers. This SPA generates approximately \$20M in additional FFP annually. An amendment to the SPA to claim additional services has recently been approved by CMS and will generate additional FFP.
- Title IV-E Claiming for Transportation- A program that allows for schools to claim a portion of their transportation costs under foster care under Every Student Succeeds Act (ESSA).
- Title IV-E Claiming for Legal Representation Services- A new program that allows claiming for Legal Representation for Child in Foster Care or Parent, and Legal Representation for Foster Care Candidate or Parent. This Cost Allocation amendment will generate approximately \$12M in additional FFP annually.
- Title IV-E Claiming for Comprehensive Foster Care and Intensive Foster Care- A program that allows claiming of eligible administrative expenditures incurred by Comprehensive Foster Care/Intensive Foster Care (CFC/IFC) providers.

- Web Based Cost Allocation Plan- The web-based cost allocation plan will streamline the import of financial, payroll, and statistical data and improve data integrity and allow for additional savings.

Sivic

- Come Behind Review- EHS entered a contract with Sivic to perform internal reviews of operations and cost allocation plans to find additional revenue and savings for Massachusetts.

<i>for</i> Health /UMass ISAs	FY25 Actual Cost Avoidance	FY25 Cash Recovery Revenue & Federal Reimbursement	Total Actual Cost Avoidance and Revenue	FY25 Contingency Payments to UMass
MassHealth Revenue and Savings (Third Party Liability, Federal Claiming & School Based Claiming)	5,152,996,292	1,100,610,038	6,253,606,330	22,350,000
Program Integrity and Compliance	22,746,096	165,540	22,911,636	2,400,000
EOHHS Revenue (Public Provider Reimbursement)	0	1,630,465,571	1,630,465,571	12,125,000
New Initiatives	118,402,859	5,586,702	123,989,561	3,125,000
Sub Total	\$ 5,294,145,247	\$ 2,736,827,851	\$ 8,030,973,098	\$ 40,000,000

Accenture Contingency Contracts	FY25 Estimated Cost Avoidance	FY25 Cash Recovery Revenue & Federal Reimbursement	Total Estimated Cost Avoidance and Revenue	FY25 Contingent Payments to Accenture
Health Insurance Investigation & Claims Recovery (Accenture)	145,125,406	23,760,555	168,885,962	13,419,365
Sub Total	\$ 145,125,406	\$ 23,760,555	\$ 168,885,962	\$ 13,419,365

PCG Contingency Contracts	FY25 Estimated Cost Avoidance	FY25 Cash Recovery Revenue & Federal Reimbursement	Total Estimated Cost Avoidance and Revenue	FY25 Contingent Payments to PCG
TANF Contingency Fund	0	45,937,110	45,937,110	365,231
CPE for Public Ambulance Providers	0	21,619,665	21,619,665	725,155
DCF Medicaid TCM Claiming	0	28,855,118	28,855,118	375,701
IV-E Claiming of School Transportation Costs Provided to Children in Foster Care	0	1,830,352	1,830,352	144,000
Financial Asset Verification System	217,993,988	0	217,993,988	1,446,307
Web Based Cost Allocation Plan	31,000,000	0	31,000,000	1,787,062
IV-E Claiming for Legal Representation	0	11,942,112	11,942,112	40,000
IV-E Intensive Foster Care Placements	0	9,934,857	9,934,857	905,958
Sub Total	\$ 248,993,988	\$ 120,119,214	\$ 369,113,201	\$ 5,789,413

Sivic Solutions Group Contingency Contract	FY25 Estimated Cost Avoidance	FY25 Cash Recovery Revenue & Federal Reimbursement	Total Estimated Cost Avoidance and Revenue	FY25 Contingent Payments to SSG
Federal Claiming Review and Enhancements	0	141,421	141,421	10,607
Sub Total	\$ -	\$ 141,421	\$ 141,421	\$ 10,607

Grand Total	\$ 5,688,264,641	\$ 2,880,849,041	\$ 8,569,113,682	\$ 59,219,384
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