



The Commonwealth of Massachusetts  
Executive Office of Health and Human Services  
One Ashburton Place  
Boston, Massachusetts 02108

CHARLES D. BAKER  
Governor

KARYN E. POLITO  
Lieutenant Governor

MARYLOU SUDDERS  
Secretary

December 27, 2021

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

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

Secretary Michael J. Heffernan  
Executive Office for Administration & Finance  
State House, Room 373  
Boston MA, 02133

Dear Chair Michlewitz, Chair Rodrigues, and Secretary Heffernan:

Please accept this letter and related attachments as the annual report and quarterly report pursuant to Section 2, appropriation 4000-0321 of Chapter 24 of the Acts of 2021. The pertinent reporting language reads as follows:

*...provided further, that not later than February 1, 2022, the secretary of health and human services shall submit to the secretary of administration and finance and the house and senate committees on ways and means a report detailing: (i) the amounts of the agreements; (ii) a delineation of all ongoing and new projects; and (iii) 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 to provide expertise in health care consulting opportunities, third party liability (TPL), and clinical resources for the Commonwealth, including the University of Massachusetts (UMass), Public Consulting Group (PCG), Accenture, HMS and other vendors. These relationships have been instrumental in assisting the Commonwealth with achieving significant program savings through revenue enhancement and cost avoidance strategies.

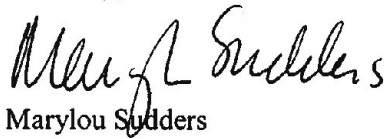
Due to the COVID-19 Public Health Emergency (PHE), some cost savings and revenue has been impacted as the Centers for Medicare and Medicaid Services (CMS) has mandated that states may not

terminate coverage for any individual effective March 18, 2020. Once the PHE ends, CMS will allow states to resume redeterminations and validations of Medicaid members. This change will allow the cost avoidance and revenue projects to resume and will result in savings to the Medicaid program.

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 2021. As you can see, these projects have yielded total cost avoidance and revenue for SFY 21 of approximately \$7.2 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 Robert McLaughlin at [Robert.G.McLaughlin@mass.gov](mailto:Robert.G.McLaughlin@mass.gov)

Sincerely,

A handwritten signature in cursive script that reads "Marylou Sudders". The signature is written in black ink and is positioned above the printed name.

Marylou Sudders

Encl.

## Brief Summary of Contingency Projects

### 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), and Non-Acute Hospital Payment on Account Factor adjustment. School Based Claiming which collects Federal Financial Participation (FFP) for school district spending on direct Medicaid eligible medical services provided to children as prescribed in their Individualized Education Plan (IEP) and on some administrative eligible expenditures is also included.
- 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, Elder Affairs Options Counseling claiming, 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. Future projects include: improving Enhanced Coordination of Benefits for Community Services for newly Determined Disabled and Registration Board and MCO claiming for Ambulance providers.

### Accenture/HMS

- Health Insurance Investigation and Claims Recovery- Accenture was awarded this contract in Spring of 2020 and began these services in the Fall of 2020. 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. HMS was the previous vendor performing these services and did provide some of these services during the early portion of SFY 21.

### PCG

- TANF Contingency Fund- PCG provides EOHHS and 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, 104 Ambulance providers participated and cities/ towns received \$18.4M 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 DCF to claim for Targeted Case Management (TCM) for children receiving these services provided from DCF social workers. This SPA will generate approximately \$20M in additional FFP annually.
- IVE Claiming for Transportation- A new program that allows for schools to claim a portion of their transportation costs under foster care under Every Student Succeeds Act (ESSA).

<b>UMass ISAs</b>	<b>FY 21 Actual Cost Avoidance</b>	<b>FY 21 Cash Recovery Revenue &amp; Federal Reimbursement</b>	<b>Total Actual Cost Avoidance and Revenue</b>	<b>FY 21 Contingency Payments to UMass</b>
MassHealth Revenue and Savings (Third Party Liability, Federal Claiming & School Based Claiming)	4,527,128,922	829,414,445	5,356,543,367	23,950,000
Program Integrity and Compliance	4,831,389	178,727	5,010,116	2,400,000
EOHHS Revenue (Public Provider Reimbursement)	0	1,357,446,085	1,357,446,085	12,050,000
New Initiatives *	17,574,639	3,540,205	3,540,205	1,398,446
<b>Sub Total</b>	<b>\$4,549,534,950</b>	<b>\$2,190,579,462</b>	<b>\$6,722,539,773</b>	<b>\$39,798,446</b>

<b>Accenture/HMS Contingency Contracts</b>	<b>FY 21 Estimated Cost Avoidance</b>	<b>FY 21 Cash Recovery Revenue &amp; Federal Reimbursement</b>	<b>Total Estimated Cost Avoidance and Revenue</b>	<b>FY 21 Contingent Payments to PCG</b>
Health Insurance Investigation & Claims Recovery (Accenture)	95,454,876	2,779,621	98,234,497	3,329,105
Health Insurance Claims Reclamation (Accenture)	0	1,352,143	1,352,143	189,300
Health Insurance Investigation & Claims Recovery (HMS)	256,479,785	7,418,747	263,898,532	6,461,946
<b>Sub Total</b>	<b>\$ 351,934,661</b>	<b>\$ 11,550,510</b>	<b>\$ 363,485,171</b>	<b>\$ 9,980,350</b>

<b>PCG Contingency Contracts</b>	<b>FY 21 Estimated Cost Avoidance</b>	<b>FY 21 Cash Recovery Revenue &amp; Federal Reimbursement</b>	<b>Total Estimated Cost Avoidance and Revenue</b>	<b>FY 21 Contingent Payments to PCG</b>
TANF Contingency Fund	0	52,926,893	52,926,893	380,232
CPE for Public Ambulance Providers	0	19,081,905	19,081,905	660,433
DCF Medicaid TCM Claiming	0	5,247,139	5,247,139	500,000
IV-E Claiming of School Transportation Costs Provided to Children in Foster Care	0	928,100	928,100	74,248
Financial Asset Verification System	37,086,763	0	37,086,763	772,500
<b>Sub Total</b>	<b>\$ 37,086,763</b>	<b>\$ 78,184,037</b>	<b>\$ 115,270,800</b>	<b>\$ 2,387,413</b>

<b>Grand Total</b>	<b>\$ 4,938,556,374</b>	<b>\$ 2,280,314,009</b>	<b>\$ 7,201,295,744</b>	<b>\$ 52,166,209</b>
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Note:

\* PHE prevented MassHealth from moving people off Medicaid roles during the pandemic.