



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

May 2, 2023

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 126 of the Acts of 2022, 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) 2022 in accordance with the Safety Net Provider eligibility criteria and payment methodology approved in MassHealth's section 1115 demonstration waiver (the "1115 Demonstration") for SFYs 2019, 2020, and 2021, and 2022.

This report provides data only for SFY 2019 through 2022, as Safety Net Provider Payments for such years were made during or after SFY 2022. EOHHS has already completed Safety Net Provider Trust Fund reporting for years prior to SFY 2019.

MassHealth's 6th extension of the 1115 Demonstration, effective for five years from July 1, 2017 through June 30, 2022, supported the most significant restructuring of the MassHealth delivery system in over two decades. This restructuring focused on increasing integration and coordination of care for members through both Accountable Care Organizations (ACOs) and Community Partners, which provide care coordination supports for members with the most complex behavioral health and long-term care needs. The 1115 Demonstration 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

I. Payments Made to Each Provider

Tables 1, 2, 3, and 4 below, identify, for each of state fiscal years (SFY) 2019, 2020, 2021, and 2022, respectively, (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 6th Extension of the 1115 Demonstration – EOHHS withheld a percentage of each payment from the Safety Net Provider Trust Fund in fiscal years 2019, 2020, 2021, and 2022 (Withheld Funds). Participating safety net providers earned the withheld funds by meeting certain metrics set forth in the DSRIP Protocol. The figures listed in the "Base Payment" columns in Table 1, 2, 3, and 4 are each provider's SFY 2019, SFY 2020, SFY 2021, and SFY 2022 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 DSRIP metrics set forth in the DSRIP protocol. In accordance with authorization from the Secretary of Administration and Finance, EOHHS funded portions of each of the SFY 2019 At-Risk Funding Achieved and 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 2020, SFY 2021, and SFY 2022 At-Risk Funding Achieved, as a portion of this figure is tied to DSRIP measure results that are not yet available. Final DSRIP performance data for SFY 2020 is expected to be available in Spring 2023. Final DSRIP performance data for SFY 2021 and SFY 2022 is expected to be available by the end of calendar year (CY) 2023 and CY 2024, respectively. The safety net providers will earn all, some, or none of the remaining Withheld Funds based on their performance against those metrics.

¹ At-risk funding achieved as of February 2023. Payment levels will be updated as additional performance data becomes available in next year's report.

Table 1. SFY 2019 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$100,985,000.00	\$5,259,862.19
Holyoke Medical Center	\$6,165,500.00	\$321,133.64
Lawrence General Hospital	\$12,255,000.00	\$628,615.71
Mercy Medical Center	\$11,970,000.00	\$575,831.34
Signature Healthcare Brockton Hospital	\$13,300,000.00	\$700,000.00
Steward Carney Hospital	\$4,864,000.00	\$232,198.14
Baystate Medical Center	\$5,329,500.00	\$270,129.35
North Shore Medical Center	\$3,201,500.00	\$157,341.60
Southcoast Hospital Group	\$3,866,500.00	\$177,604.63
Tufts Medical Center	\$3,230,000.00	\$159,789.80
Morton Hospital	\$475,000.00	\$22,675.60
Franklin Medical Center	\$446,500.00	\$22,631.16
Berkshire Medical Center	\$1,548,500.00	\$74,547.57
Good Samaritan Hospital	\$902,500.00	\$43,083.65

Table 2. SFY 2020 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$98,327,500.00	\$6,530,157.82
Holyoke Medical Center	\$6,003,250.00	\$398,689.79
Lawrence General Hospital	\$11,562,500.00	\$913,503.76
Mercy Medical Center	\$11,285,000.00	\$697,799.13
Signature Healthcare Brockton Hospital	\$12,487,500.00	\$838,687.50
Steward Carney Hospital	\$4,736,000.00	\$289,978.11
Baystate Medical Center	\$5,189,250.00	\$339,116.64
North Shore Medical Center	\$3,117,250.00	\$197,685.72
Southcoast Hospital Group	\$3,764,750.00	\$224,114.55
Tufts Medical Center	\$3,145,000.00	\$195,925.00
Morton Hospital	\$462,500.00	\$28,318.18
Franklin Medical Center	\$434,750.00	\$28,410.84
Berkshire Medical Center	\$1,507,750.00	\$92,824.76
Good Samaritan Hospital	\$878,750.00	\$54,070.88

¹ At-risk funding achieved as of February 2023. Payment levels will be updated as additional performance data becomes available in next year's report.

Table 3. SFY 2021 Safety Net Provider Payments

Provider	Base Payment	At-Risk Funding Achieved¹
Boston Medical Center	\$93,012,500.00	\$3,927,795.63
Holyoke Medical Center	\$5,678,750.00	\$239,806.15
Lawrence General Hospital	\$10,675,000.00	\$1,498,500.38
Mercy Medical Center	\$10,605,000.00	\$442,328.49
Signature Healthcare Brockton Hospital	\$11,637,500.00	\$493,762.50
Steward Carney Hospital	\$4,480,000.00	\$185,779.97
Baystate Medical Center	\$4,908,750.00	\$209,237.29
North Shore Medical Center	\$2,948,750.00	\$124,594.12
Southcoast Hospital Group	\$3,561,250.00	\$148,259.92
Tufts Medical Center	\$2,975,000.00	\$121,135.20
Morton Hospital	\$437,500.00	\$18,142.58
Franklin Medical Center	\$411,250.00	\$17,529.68
Berkshire Medical Center	\$1,426,250.00	\$59,027.19
Good Samaritan Hospital	\$831,250.00	\$34,737.23

Table 4. SFY 2022 Safety Net Provider Payments

Provider	Base Payment
Boston Medical Center	\$86,798,250.00
Holyoke Medical Center	\$5,354,250.00
Lawrence General Hospital	\$9,462,750.00
Mercy Medical Center	\$9,933,000.00
Signature Healthcare Brockton Hospital	\$10,947,750.00
Steward Carney Hospital	\$4,224,000.00
Baystate Medical Center	\$4,628,250.00
North Shore Medical Center	\$2,780,250.00
Southcoast Hospital Group	\$3,357,750.00
Tufts Medical Center	\$2,805,000.00
Morton Hospital	\$412,500.00
Franklin Medical Center	\$387,750.00
Berkshire Medical Center	\$1,344,750.00
Good Samaritan Hospital	\$783,750.00

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 for SFYs 2017 through 2022 are intended to provide ongoing

¹ At-risk funding achieved as of February 2023. Payment levels will be updated as additional performance data becomes available in next year’s report.

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 Commonwealth's overall delivery system and payment reform goals. 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 in order to meaningfully participate in the program.

In addition, an increasing portion of each provider's Safety Net Provider Payment was at risk during each year of the Demonstration, subject to that provider's performance against a series of accountability and performance measures specified in the Commonwealth's DSRIP Protocol. For each of SFYs 2019, 2020, 2021, and 2022, EOHHS has made payments (see Tables 1, 2, 3, and 4, At-Risk Funding Achieved) based on performance data available as of February 2023. Final performance data for SFY 2020 is expected to be available in Spring 2023. Final performance data for SFY 2021 and SFY 2022 is expected to be available by the end of CYs 2023 and 2024 respectively. As performance data becomes available for each of SFYs 2020, 2021, and 2022 payments will be made according to each hospital's achievement.

¹ At-risk funding achieved as of February 2023. Payment levels will be updated as additional performance data becomes available in next year's report.