



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF MEDICAID
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September 27, 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,

Section 2SSSS of Chapter 29 of the Massachusetts General Laws requires the Executive Office of Health and Human Services (EOHHS) to submit to the House and Senate Committees on Ways and Means a detailed accounting of all monies transferred credited or deposited into the MassHealth Delivery System Reform Incentive Payment (DSRIP) Trust Fund.

Expenditures from the DSRIP Trust Fund include payments for services delivered to MassHealth beneficiaries by acute hospitals, payments for Accountable Care Organizations (ACOs) and Community Partners (CPs), investments in statewide infrastructure and workforce capacity to support successful reform implementation, and DSRIP operations and implementation. DSRIP investment funds are critical in the implementation of the ACO and CP programs and will support care coordination.

In August 2017, 17 health care organizations across the state executed agreements to participate in the MassHealth ACO program and in December 2017, 26 community organizations executed contracts to participate in the CP program. MassHealth began paying DSRIP funds to ACOs in September 2017 and began paying DSRIP funds to CPs in December 2017. Full implementation of the ACO program took place in March 2018 and full implementation of the CP program took place in July 2018.

Below is the expenditure detail for SFY17 – SFY23 Q3.

DSRIP Trust Fund Payments + Revenue (\$M)

	SFY17-SFY22	SFY23 Q1	SFY23 Q2	SFY23 Q3
<u>Payments</u>				
Disability access to acute hospitals	1,431.0	0.0	133.5	2.6
Payments to ACOs	893.9	34.9	12.4	16.2
Payments to CPs	395.6	36.9	20.3	17.3
Other expenditures	192.7	0.4	1.9	3.6
Subtotal payments	2,913.2	72.2	168.1	39.7
<u>Revenue</u>				
Federal revenue	1,598.1	58.7	48.4	200.6
Acute hospital assessment	1,480.6	42.9	21.5	0.0
Subtotal revenue	3,078.7	101.6	69.9	200.6
General Fund Transfer	113.5	0	0	0
Unexpended Balance	52.0	81.5	-16.8	144.2

Trust Fund expenditures are not consistent every quarter due to the timing of annual reconciliation payments to providers, which results in unexpended balances in the Trust at the end of each state fiscal year. Timing of revenue receipts can vary by quarter which may cause a negative balance in a given quarter.

Thank you for your continuing commitment to the MassHealth program. If you have any questions about this report, please contact Sarah Nordberg at Sarah.Nordberg@mass.gov.

Sincerely,



Mike Levine

cc: Kathleen E. Walsh

Notes:

Disability access payments total \$265m per year. EOHHS makes payments to the MassHealth Managed Care Organizations (MCOs), who in turn make payments to the acute hospitals. Monthly payments of 90% of the total (\$19.9m) occur at the start of each month, and the remaining \$26m is paid following the end of the MCO contract year based on actual utilization and performance metrics. Acute hospital assessment revenue totals \$257.5M per contract year. Monthly transfers into the DSRIP Trust typically occur at the end of each month (first deposit was end of October 2016), but may occur in the first week of the following month; therefore the quarterly transfer amounts may vary.