

Health Care Report and Legislation Q&A

Q. What does this bill do to contain costs at MassHealth? Are there short-term savings as proposed by the Governor?

A. This bill recognizes that MassHealth growth is both a short-term and a long-term challenge. In the next several years, savings to MassHealth are needed to reduce the rate of growth in the state budget. In this bill, those savings include:

- The HIRD form that maximizes MassHealth's ability to benefit from employer contributions through premium assistance,
- New reporting to enforce behavioral health parity laws and reduce MassHealth's obligation to fund care that could be provided by the private market,
- Enrolling more members in coordinated plans that reduce the need for nursing facility stays and maximize federal revenue,
- Implementing a hospital readmissions reduction strategy that will save for MassHealth along with the commercial market.

In the long term, MassHealth's increasing enrollment is driven by unaffordable cost increases in the commercial market that cause employers and low-income residents to opt to rely on MassHealth rather than commercial insurance. That's why this bill's cost containment for commercial hospital spending and transparency for pharmaceutical companies seeks to hold down the cost of commercial insurance.

Q. How are these proposals different from what the Governor proposed? Does this bill make any eligibility changes? Does this bill protect low-income residents?

A. This bill does not change eligibility like the Governor's proposal. We protect low-income residents while also establishing a Health Insurance Responsibility Disclosure (HIRD) form, allowing MassHealth to improve its targeting of the Premium Assistance program for MassHealth members with access to affordable, cost-effective employer-sponsored insurance.

Q. How does this bill save money for employers?

A. This bill would encourage the availability of cheaper and more innovative limited and tiered health insurance products and a potential option to buy into MassHealth. Proposals in the bill help to slow the growth trend in premiums by improving the overall delivery of care and making it more efficient.

Q. How does this bill save money for families?

A. Every patient has been at the doctor or hospital for care and received an unexpected charge for a "facilities fee" or an "out of network" charge even though your hospital was in your network. This bill

eliminates surprise charges and billing practices to protect consumers. Additionally, pharmacy spending remains one of the highest cost drivers for families. This bill requires pharmacists to inform customers if the retail cost is less than their cost-sharing amount and, lets the customer choose which amount they would like to pay.

Q. Did you work with the administration and House on these proposals? What is your expectation for next steps?

A. The Administration had representatives from the Governor's office and EOHHS at meetings in Minnesota, Boston, Vermont and on teleconferences with other states. While the House did not participate in this process, we were encouraged by the Speaker's remarks at the recent HPC cost trends hearing which reflect some consistencies in thinking with proposals in our bill. There is a hearing set for next Monday October 23rd on the proposed bill and we hope to debate it before we recess in November.

Q. How does this impact the work the administration is doing to redesign MassHealth?

A. This bill supports the MassHealth redesign process by giving MassHealth more tools to support its transformation from volume to value. By setting targets for the private market to achieve the same risk targets MassHealth has set for its Accountable Care Organizations, it encourages private insurers to develop systems that can be used for both the public and private system. By increasing MassHealth's ability to grow plans that integrate medical care with social services, housing, and other critical needs, the bill supports MassHealth's use of global budgets to create the right incentives and fund social determinants of health. And by holding MassHealth accountable with requirements to share best practices across ACOs, the bill helps ensure that new incentives lead to better outcomes for members. Finally, the bill furthers the fiscal sustainability necessary for the MassHealth redesign through new savings and revenue.

Q. How will changes in D.C. impact the proposals in this bill?

A. Federal uncertainty remains an issue for our MassHealth program as well as for our low-income residents. The Senate strikes the right balance by providing savings to MassHealth to shore up its finances in the event of federal cuts, while not shifting low-income residents off of the safety net supports they need. Federal uncertainty is even greater in the Connector program, where Trump's tweets and the recent changes to CSR payments threaten to send costs soaring in the Connector market. The Senate avoids the uncertainty of the Governor's package by not signing more of our residents up for the unpredictability that Connector coverage faces in the near future due to federal action.

Q. How does this bill impact low-paid hospitals?

A. Stakeholders continue to articulate the importance of community hospitals to the local communities and their ability to serve people where they live. This bill recognizes the critical role that community hospitals play in our health care delivery system and creates parameters for the market to boost their rates more in line with the quality care they provide.

Q. What are this bill's long-term effects on the healthcare market?

A. The bill modernizes our health care system to better meet the needs of our residents. Additionally, we can reasonably expect overall system-wide savings in the range of \$475-525 million by the end of 2020 based on growth reductions estimates. Of that number we can expect to see savings of \$114 in MassHealth by 2020.

Q. We heard a lot about long term care and finding appropriate settings at your round tables, how does this bill address the long term care problem?

A. Long term care and supports continue to be cost drivers for businesses, governments, and consumers. Massachusetts has an aging population and we need better coordination between long term care providers, transition coordinators, and community placements. Through the Senate's August roundtable series, Massachusetts stakeholders identified common themes that would assist in reducing the use of institutional post-acute care, such as increased consumer and provider education, increased data sharing, housing security and coordination, and shared accountability among providers throughout a patient's care episode through global budgets or shared savings models.

Q. Did you consider a single payer or public option as part of this health care reform package? Why aren't these included?

A. The working group discussed the single payer experience with officials in Vermont and determined that it did not align with the scope of the report as of right now. We will continue to engage stakeholders on how to improve efficiencies in the system to streamline payments and reduce costs.

Q. Why now?

A. Every year that health care costs increase faster than the economy, businesses, and consumers continue to suffer. We know from the latest cost trends report that while health care cost increases are lower, they continue to be faster than growth for families' wages or for businesses. The answer is not to simply ask families and businesses for increasing shares of their income. We must do our part to help ensure that our residents can afford necessary care and that costs do not stifle the economic vitality of our businesses.