# Significant MassHealth Reform Commencing March 1, 2018

Insights 02.01.18

Through the MassHealth Payment and Care Delivery Innovations (PCDI), MassHealth is launching a system of provider-led accountable care organizations (ACOs) that will coordinate care for MassHealth members with a particular emphasis on primary care and a transition to value-based reimbursement.

Beginning March 1st, 2018, certain managed care eligible MassHealth beneficiaries will be assigned to health plans affiliated with ACOs that their primary care clinicians have joined. This alert provides a summary of the upcoming PCDI reforms, including developments to date and what to expect in the next few months.

**BACKGROUND**

In June 2016, Massachusetts proposed both an amendment and extension to its 1115 Waiver Demonstration Project with the Centers for Medicare & Medicaid Services, which has been in place since 1997 (the Waiver). The Waiver, as currently amended, is effective through June 2022. The amended and extended Waiver is meant to achieve the following five goals:

1. Restructuring the MassHealth delivery system in a manner that promotes integrated, coordinated care and holds providers accountable for quality and total cost of care of its members;
2. Improving integration among physical health, behavioral health, long term services and supports (LTSS), and health-related social services;
3. Maintaining near-universal health care insurance coverage;
4. Addressing the opioid addiction crisis by expanding access to a broad spectrum of recovery-focused substance use disorder services; and
5. Sustainably supporting safety net providers to ensure continued access to care for Medicaid and low-income uninsured individuals.[1]

***ELIGIBILITY – WHO DOES THIS IMPACT?***

The PCDI changes taking effect March 1st impact only managed care eligible MassHealth beneficiaries.[2] These individuals are under 65, without third-party insurance coverage, and are living in the community (not permanently living in a nursing facility). These individuals are covered by MassHealth, Family Assistance, CarePlus, or CommonHealth. Medicare-eligible seniors, including Medicare and Medicaid "dual eligibles," are currently carved out of the PCDI, though MassHealth has suggested that it may expand and further align existing programs for dual eligibles with value-based reform.[3] These restrictions limit the number of Massachusetts residents these reforms will impact, since individuals covered by MassHealth fee-for-service coverage, One Care plans, Senior Care Options plans, and PACE Organizations are not impacted by PCDI.

***PLAN OVERVIEW***

Beginning March 1st, 2018 there will be three new types of health plans available to managed care eligible MassHealth beneficiaries, along with MCOs and the Primary Care Clinician, or "PCC," Plans, which continue to be offered. A summary of the three follow.[4]

1. *Accountable Care Partnership Plans.* An Accountable Care Partnership Plan is a network of PCPs that is exclusively partnering with an MCO. The partnership enables the PCPs to use the MCO's provider network to provide comprehensive care to their members. Accountable Care Partnership Plans assume full insurance risk for their members, are responsible for all contractually covered services, and are eligible to share in savings realized on capitated payments they receive for their members' care, provided they achieve applicable quality thresholds.

2. *Primary Care ACOs.* A Primary Care ACO is a network of PCPs that contract directly with MassHealth to use its provider network to deliver integrated care to the ACO's members. Primary Care ACOs do not receive capitated payments for their members. Instead, MassHealth pays providers directly under a fee-for-service methodology. The ACO may earn savings if it achieves certain quality thresholds.
3. *MCO-Administered ACOs.* An MCO-Administered ACO is a network of PCPs that can contract with one or several MCOs, and utilize the MCO's provider network to provide integrated care to the ACO's members. MCO-Administered ACOs can earn savings if they achieve applicable quality thresholds.

As PCPs started contracting with new MassHealth plans in fall 2017, MassHealth began the "special assignment" process. Under special assignment, when PCPs contracted with new MassHealth plans, MassHealth automatically assigned those PCPs' patients to the same plans to promote continuity of care. Coverage for beneficiaries assigned through special assignment is effective March 1st, 2018, and those beneficiaries have 90 days to change plans if they wish to do so before a fixed enrollment period begins on June 1st, 2018. Therefore, unless a beneficiary who has been "special assigned" proactively requests to be assigned to a different plan before June 1st, they will be able to switch plans only under certain prescribed circumstances.

**HIGHLIGHTS FOR PROVIDERS**

***PROVIDER CONTRACTING***

**PCPs.** ACO-participating primary care providers will contract exclusively with an ACO, meaning they cannot participate as PCPs in other MCOs, the PCC Plan, or any other ACO. Exclusivity does not apply to other programs, such as MassHealth fee-for-service, Senior Care Options, One Care, or PACE programs.[5]

**Hospitals, Specialists, Pharmacies.** To provide services to members enrolled in the PCC Plan or a Primary Care ACO, hospitals, specialists, and pharmacies must be MassHealth participating providers. To treat members enrolled in MCOs, MCO-Administered ACOs or an Accountable Care Partnership Plan, hospitals, specialists, and pharmacies need to contract with such plans (or, as applicable, the plan's pharmacy benefit manager). However, unlike PCPs, these relationships do not need to be exclusive.[6]

**Behavioral Health Providers.** To treat members enrolled in the PCC Plan or a Primary Care ACO, behavioral health providers must be an in-network provider for MassHealth's behavioral health vendor. To treat members enrolled in MCOs, MCO-Administered ACOs or an Accountable Care Partnership Plan, behavioral health providers need to contract with such plans, or their behavioral health vendors, as applicable.[7]

**LTSS Providers.** To treat members in the PCC Plan, a Primary Care ACO, an MCO, an MCO-Administered ACO or an Accountable Care Partnership Plan, LTSS providers need to contract with MassHealth as an LTSS provider. LTSS coverage is "wrapped" and covered by MassHealth for all members, regardless of plan.[8] It is important to note that the PCDI reform does not actually provide coverage for LTSS. PCDI does include a maximum 100-day benefit for skilled nursing services for its covered population. In the event that a beneficiary needs skilled nursing beyond the maximum PCDI benefit, his or her coverage for those additional services will be provided through the MassHealth fee-for-service system. Skilled nursing providers would be well-served to contract with the various ACO entities for the provision of services associated with the 100-day benefit, particularly with those entities that receive capitation from MassHealth.

***INCENTIVES AND REQUIREMENTS FOR ACO PROVIDER PARTICIPANTS***

Providers will have additional responsibilities when working with ACOs, including sharing clinical data with the ACO for quality reporting, meeting certain performance benchmarks for the Provider's assigned panel, using certain data systems, participating in certain governance structures or meetings, and taking on financial responsibility for ACO performance.

There are also additional opportunities, as providers in ACOs may have data and analytics provided by the provider's ACO or MassHealth at their disposal, infrastructure funding and investment, population health management infrastructure and resources, such as ACO-employed care managers that embed in and support practices, and opportunities for financial

participation in ACO savings.[9]

***CONTINUITY OF CARE REQUIREMENTS***

ACOs and MCOs will need to have procedures in place to minimize any disruption in care for new members, and must provide all members with timely access to medically necessary services. They must also make "best-efforts" to minimize disruptions to existing relationships between patients and clinicians and in approved treatment regimens.[10]

***REFERRAL CIRCLES***

Primary Care ACOs will have the option of defining a Referral Circle, meaning a subset of providers in the MassHealth network that their enrollees can visit without the need for a referral if one would otherwise have been required. The goal of a Referral Circle is to improve access to coordinated care, and it cannot be used to limit members' access to other providers in the MassHealth network. To participate in a Primary Care ACO's Referral Circle, the provider must be enrolled with MassHealth, and the Primary Care ACO must identify the provider as participating in its Referral Circle.[11]

***ELIGIBILITY VERIFICATION SYSTEM***

MassHealth is enhancing its Eligibility Verification System (EVS) on its Provider Online Service Center (POSC) to help providers know with which plan a patient is enrolled, and who to contact for assistance with billing issues. When providers query the EVS for a particular patient, the EVS will indicate the MassHealth plan in which the beneficiary is enrolled, and include contact information for that particular plan should the provider have questions regarding billing. Importantly, because enrollment in the new MassHealth plans is not effective until March 1 st, 2018, providers will not be able to determine their current patients' "new" plans until March 1 st. This resource will be extremely important to providers as patients' coverage under their new plans takes effect in the coming months.

**WHAT'S NEXT? COMMUNITY PARTNERS**

In addition to ACOs, MassHealth is investing in Community Partners, community-based organizations that will collaborate with ACOs and MCOs to coordinate care for certain members of MassHealth.[12] Behavioral Health Community Partners will provide care management and coordination services to MassHealth beneficiaries with significant behavioral health needs, while long term services and supports (LTSS) Community Partners will provide care coordination and navigation services to beneficiaries with complex LTSS needs. The Community Partners program will go into effect June 1, 2018.

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Hooper, Lundy & Bookman, PC, will continue to monitor the MassHealth PCDI as it unfolds. As with any reform of this magnitude, there will likely be additional issues to analyze and bumps in the road in the months to come. For further information, contact Jeremy Sherer, Mark Reagan, or Amy Joseph in Boston at 617.532.2700, Lloyd Bookman in Los Angeles at 310.551.8185, or Bob Roth in Washington, D.C. at 202.580.7701.

[1] *See* http://www.mass.gov/eohhs/gov/newsroom/press-releases/eohhs/52-4-billion-deal-for-masshealth-restructuring.html (last accessed Feb. 18, 2018).

[2] *See* 130 CMR 508.001 and 508.002. MassHealth recently revised applicable regulations to implement the PCDI.

[3] *See, e.g.*, https://www.mass.gov/files/documents/2016/08/ru/160815-masshealth-restructuring-faq.pdf (last accessed Feb. 18, 2018).

[4] *See* MassHealth All-Provider Bulletin 272 (November 2017).

[5] MassHealth All-Provider Bulletin 272.

[6] *Id.*; Massachusetts Executive Office of Health and Human Services, MassHealth Delivery System Restructuring Open Meeting Presentation (March 2017).

[7] Massachusetts Executive Office of Health and Human Services, MassHealth Delivery System Restructuring Open Meeting Presentation (March 2017).

[8] MassHealth All-Provider Bulletin 272.

[9] MassHealth All-Provider Bulletin 272.

[10] *Id.*

[11] *Id.*

[12] *See* http://www.mass.gov/eohhs/gov/newsroom/press-releases/eohhs/masshealth-selects-26-community-partners.html (last accessed Feb. 18, 2018).

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