Health Safety Net

Introduction

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Safety Net Programs:

- **MassHealth Limited**
  - Non comprehensive benefit plan that covers urgent or emergent services (conditions that could cause serious harm if untreated)
- **Children's Medical Security Plan**
  - Provides preventative and primary care for recipients under the age of 19 that don't qualify for comprehensive MassHealth coverage
- **Health Safety Net**

Overview

- The Health Safety Net (HSN) was created by Chapter 58 of the Acts of 2006 to replace the Uncompensated Care Pool (UCP).
- The HSN enabling statute is now codified at M.G.L. c. 118E, §§ 64-69.
- The HSN provides access to essential health care services for low-income, uninsured or underinsured residents.
- The Division of Health Care Finance and Policy (now CHIA) administered the HSN until November 2012, when this responsibility transitioned to the Office of Medicaid.
- The HSN makes payments to acute care hospitals and community health centers for allowable health care services provided to eligible individuals.
    - The HSN “network” is much more limited than the MassHealth network or a typical insurer’s network.
- Annual HSN funding sources are finite. Any allowable demand in excess of funding results in a payment shortfall.

Overview Cont.

- Health Safety Net (HSN) pays acute care hospitals and community health centers (CHCs) for certain medically necessary health care services, as authorized under Title XIX of the Social Security Act, provided to qualified uninsured and underinsured Massachusetts residents outlined in 101 CMR 613.000 (*Health Safety Net Eligible Services*), and 101 CMR 614.000 (*Health Safety Net Payments and Funding*).

- Health Safety Net is not an insurance plan nor is it considered comprehensive insurance for tax purposes. HSN is a payment program that was established and is administered in accordance with M.G.L. c. 118E, §§ 64-69
- HSN payments are paid through a trust fund established under M.G.L. c. 118E, § 66

HSN Eligibility

- Patients can be found HSN eligible one of two ways:
  1. Submit a completed health services application through MA Health Connector.

     Eligible recipients must meet the following criteria:
     - Resident of Massachusetts;
     - Gross Income equal to or less than 300% Federal Poverty Level (FPL)
       - HSN Full eligibility up to and equal to 150% of the FPL is not subject to an annual deductible.
       - HSN Partial eligibility above 150% of the FPL is subject to an annual deductible

  2. Through a “special circumstance” process:
     - Confidential
       - Minor
       - Domestic Violence
     - Medical Hardship
     - Bad Debt

Special Circumstance- Confidential Minor

- **Confidential Minor**:
  - Reimburses eligible providers for confidential medical services for minors up to the age of 19. Confidential services are defined as services for the treatment of sexually transmitted diseases provided under M.G.L. c. 112, § 12F and family planning services provided under M.G.L. c. 111, § 24E.
  - Minors receiving Confidential Services may apply to be determined a Low-Income Patient using their own Countable Income information and using the Office's application for Health Safety Net Confidential Services.
  - If a minor is determined to be a Low-Income Patient, the Provider may submit claims for Confidential Services when no other source of funding is available to pay for the services confidentially.
  - For all other services, Minors are subject to the standard Low Income Patient determination process.

Special Circumstance - Domestic Violence

- **Domestic Violence**:
  - Reimburses eligible providers for medical services **protecting the identity of victims of domestic abuse**.
  - An individual who has been a victim of domestic violence, or who has a reasonable fear of domestic violence or continued domestic violence, may apply for Low Income Patient status using their own Countable Income information if they seek medically necessary Eligible Services.

Special Circumstance - Medical Hardship Assistance

- A Massachusetts Resident at any Countable Income level may qualify for Medical Hardship if allowable medical expenses exceed a certain percentage of their Countable Income as specified in 101 CMR 613.05(1)(c). A determination of Medical Hardship is a onetime determination and not an ongoing eligibility category. An applicant may submit no more than two Medical Hardship applications within a 12-month period.

Income Level FPL	Percentage of Countable Income
0 - 205%	10%
205.1 - 305%	15%
305.1 – 405%	20%
405.1 - 605%	30%
>605.1%	40%

Special Circumstance - Bad Debt

Bad Debt is an account receivable based on services furnished to a Patient that is

- (a) regarded as uncollectible, following reasonable collection efforts consistent with the requirements in 101 CMR 613.06;
- (b) charged as a credit loss;
- (c) not the obligation of a governmental unit or the federal government or any agency thereof; and
- d) not a Reimbursable Health Service

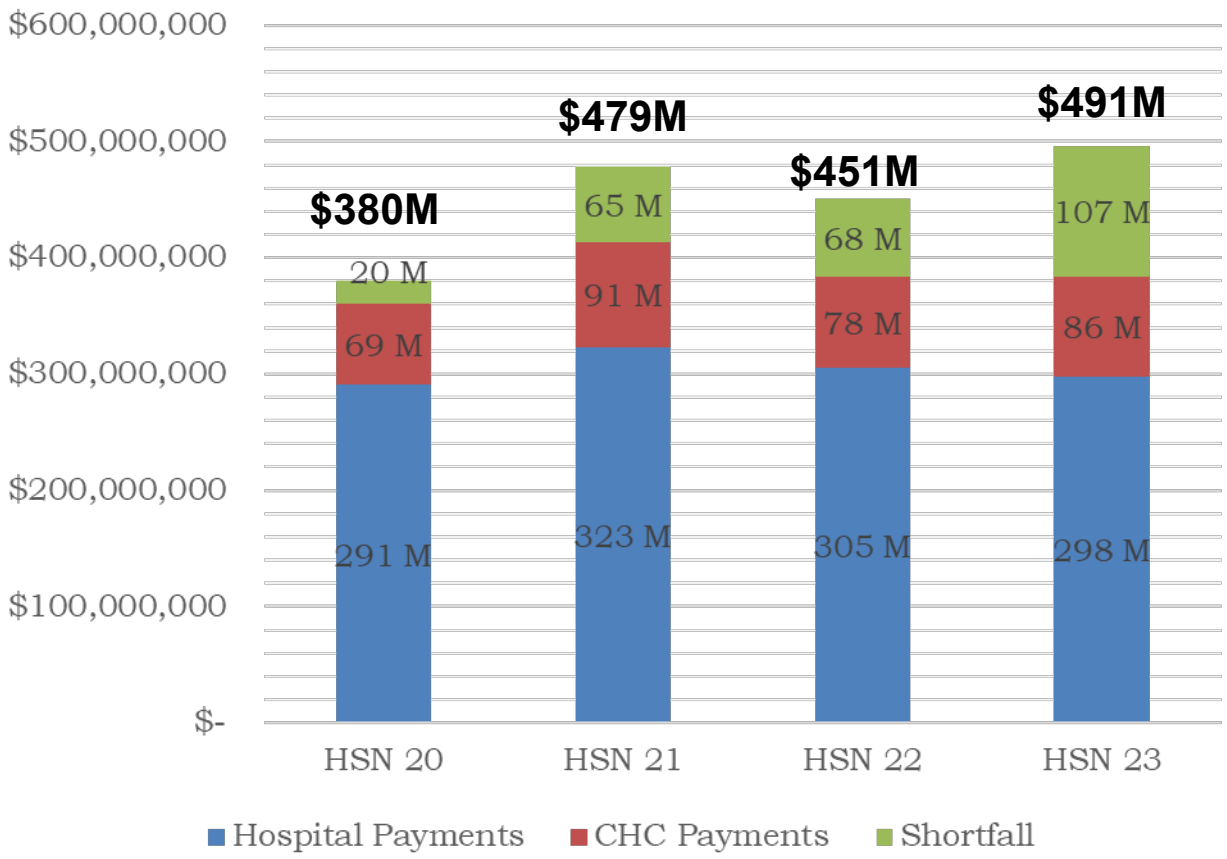
- Providers are charged with making reasonable attempts in obtaining and verifying the patient's or guarantor's supplied and financial information.
- Reasonable collection efforts must be taken before a bad debt claim can be made which would include documentation of billings, calls, notices and any other notifications.
- The bad debt must be unpaid after a period of 120 days of continuous collection action.

HSN Funding

- The HSN funding total is approximately $346 million annually
  - $165M assessment on all hospitals in the Commonwealth (acute and non-acute)[1]
  - $165M assessment on all managed care organizations services in the Commonwealth, beginning calendar year 2025. For calendar years through 2024, the same amount was collected through a surcharge on payments made to hospitals and ambulatory surgical centers by payors (e.g. HMOs, third party administrators, individuals, etc.)[1]
  - $18M transfer to the HSN Trust Fund from the Commonwealth Care Trust Fund.[2]
  - Note: Additional funding for uncompensated care is payable annually from the Medical Assistance Trust Fund: $70,000,000[3]

1. $10M is used for HSN administrative funding ($5M from each assessment).
2. Annual budget outside section allows for transfer up to $15M, and as of FY25, an additional $3M is permitted for a Demonstration Project earmark (increased from $1M Demonstration Project funding implemented in 2018).
3. In FY24, disbursements were made to Cambridge Health Alliance ($50,000,000) and Boston Medical Center ($20,000,000).

HSN Total Demand and Payment Trend



Demand represents the amount that providers would have been paid in the absence of a funding shortfall.

The HSN shortfall increased from $68M during HSNFY22 to $107M during HSNFY23

Hospital Payments includes $20M offset for BMC and $43M in CHA demand paid through it's offset.

Note: In FY22, the HSN received a $16M appropriation from the Commonwealth's General Fund ($15 million towards HSN general fund and $1M directly for demonstration projects)

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital and community health center payments are reported in the month in which payment was made. The shortfall amount is based on spending assumptions in place during the fiscal year and may differ from year-end shortfall estimates reported elsewhere. Data reflect payment and projected demand levels as of the end of each fiscal year and exclude adjustments made after the end of the fiscal year. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding. Source: Health Safety Net Payment Calculation as of 09/30/23. The above totals are subject to change to allow for claim adjustments and remediated claim submissions.

HSN Shortfall Allocation

Shortfall Amount. In a Fiscal Year, the positive difference between the sum of allowable Health Safety Net costs for all Acute Hospitals and the revenue available for distribution to Acute Hospitals.

Demand to the Health Safety Net Trust Fund for Fiscal years 2024 and 2025 has exceeded HSN's ability to limit shortfall allocation to not greater than 15% for Disproportionate Share Hospitals.

As a result, HSN has applied a uniform payment percentage for all Disproportionate Share Hospitals for Fiscal Years 2024 and 2025 equal to the total available funds available to Acute Hospitals.

The Health Safety Net is working on new payment regulations at 101 CMR 614.000 which will adjust how we allocate the shortfall for Acute Hospitals that we hope will be in effect for HSN Fiscal Year 2026

General Information

- Health Safety Net eligible service regulations can be found at: https://www.mass.gov/regulations/101-CMR-61300-health-safety-net-eligible-services
- Health Safety Net eligible payment and funding regulations can be found at: https://www.mass.gov/regulations/101-CMR-61400-health-safety-net-payments-and-funding
- Health Safety Net Reimbursable Services located at: https://www.mass.gov/doc/hsn-chc-billable-procedure-codes/download
- Health Safety Net INET located at: Learn about HSN-INET | Mass.gov
- Billing updates are posted and can be found at: Information about HSN Provider Guides and Billing Updates | Mass.gov

Questions

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Questions?