PRIMARY CARE DEVELOPMENT CORPORATION

COMMUNITY HEALTH CENTER GROWTH AND SUSTAINABILITY
STATE PROFILES

MASSACHUSETTS

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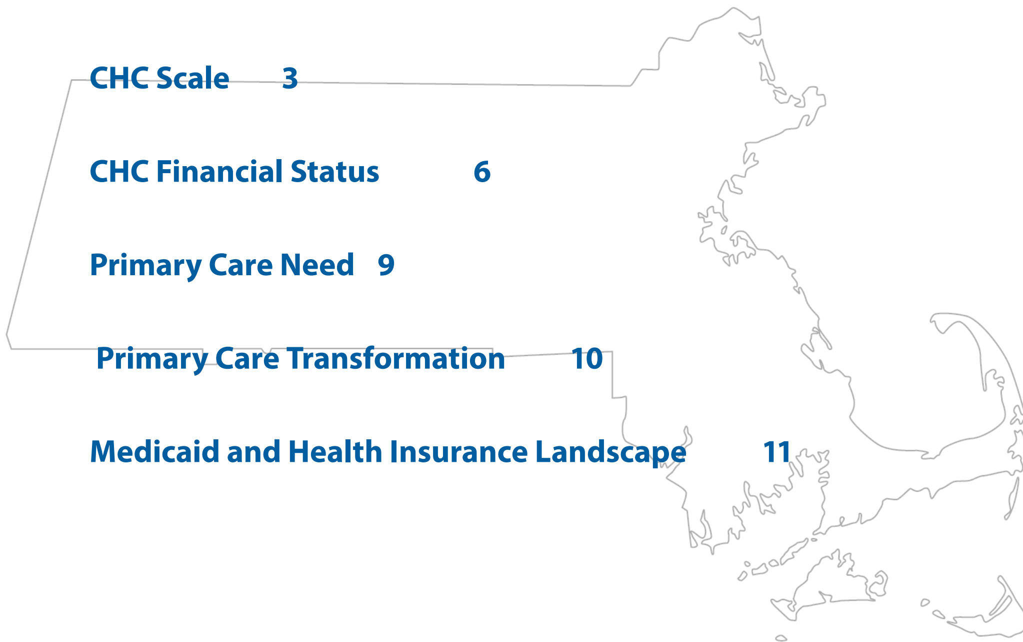

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Supported by the RCHN Community Health Foundation

OVERVIEW

Market Share & Growth

- As of 2014, there were 37 grant-funded Federally-Qualified Health Centers (CHCs) operating 265 service delivery sites throughout the state of Massachusetts. Massachusetts CHCs provided 3,241,431 visits to 638,623 patients in 2012. [1] The PCA representing CHCs is the Massachusetts League of Community Health Centers. [2] [3]
- The number of patients served by CHCs increased by an average of 4.2% annually from 2010-2012, compared to 4.1% average annual growth experienced by CHCs nationwide. [2]
- CHCs serve approximately 20.6% of Massachusetts' Medicaid population (US: 16%) and 10% of its overall population (US: 7%). [2]
- Medicaid enrollment, currently at 1,296,000, is projected to grow by an additional 153,000 people by 2022 (12% growth), with the uninsured rate projected to decrease from 4.8% to 2.7%. [4]

Policy & Reimbursement

- Massachusetts spends slightly more than $6,800 per Medicaid enrollee annually– the 13th highest in the nation. [5]
- Massachusetts has implemented Medicaid expansion under the ACA Medicaid Managed Care in Massachusetts is operated by MassHealth, which runs two different types of programs: the MassHealth Managed Care Organization program and the Primary Care Clinician plan. [6]
- Medicaid eligibility limits for parents and childless adults are 138% FPL, with higher limits for pregnant women (205% FPL) and children (family income up to 305% FPL). [7]
- MassHealth medical payment rates to CHCs can be adjusted if the organization can demonstrate that access to service delivery is threatened. [8]
- Massachusetts set up its own state-run exchange in 2006, under the Commonwealth Health Insurance Connector Authority, known as the "Massachusetts Health Connector." [9] [10]
- To conform to the ACA, the Health Connector required certain adjustments which proved more challenging than anticipated, and, through the first enrollment period, individuals who have selected health plans through the existing exchange reached a total of 31,695, against a goal of 250,000. [11]
- Massachusetts health centers are participating in several innovation programs, including the CMS "FQHC Advanced Primary Care Demonstration" The state was also awarded a State Innovation Model testing grant as well as approval for a Dual-Eligibles Financial Alignment Demonstration. [12]

Massachusetts CHCs Compared to CHCs Nationwide

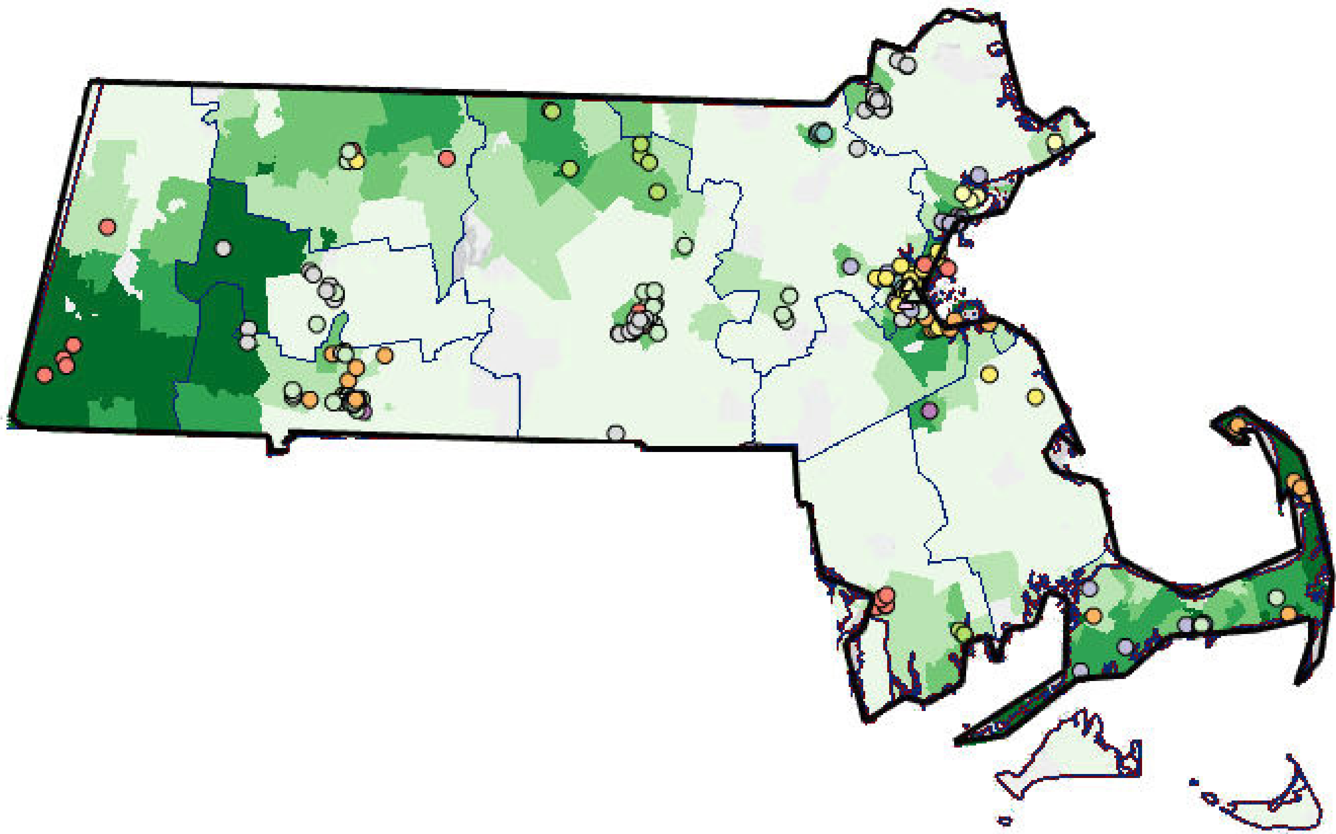
- Higher proportion of the total population served
- Higher proportion of Medicaid and low-income population served
- 30% more patient visits per CHC organization than national average
- Higher proportion of dental, mental health and case management services
- Growth rate (2010-12) in visits matches the national average, with greatest growth in mental health, and least in medical

	MA	US
Population Served (2012)		
Total patients served by CHCs	638,623	21,102,391
% of population served by CHCs	9.8%	6.8%
% of under 200% FPL served by CHCs	27.3%	15.9%
% of Medicaid Enrollees Served	20.6%	16.4%
CHC Characteristics and Volume		
Number of CHCs (2014)	37	1284
Total CHC Service Delivery Sites (2014)	265	9509
Average Sites per CHC (2014)	7.2	7.4
Annual Visits (Total) (2012)	3,241,431	83,766,153
Annual Visits per CHC (2012)	90,040	69,922
Annual Visits Per Patient (2012)	5.08	3.97
Visit Mix (% of Annual Visits by Service Type) (2012)		
Medical	68.7%	73.6%
Dental	14.0%	12.8%
Mental Health	10.2%	7.5%
Case Management/Enabling	7.1%	6.2%
Compound Annual Growth Rate (2010-2012)		
Total Patients	4.2%	4.1%
Total Annual Visits	4.2%	4.3%
Medical	2.5%	3.5%
Dental	8.2%	7.6%
Mental Health	10.4%	9.6%
Case Management/Enabling	5.8%	1.6%

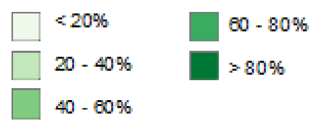
Note: All CHCs are Federally Qualifed Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Share of Population Served by Massachusetts CHCs [13]



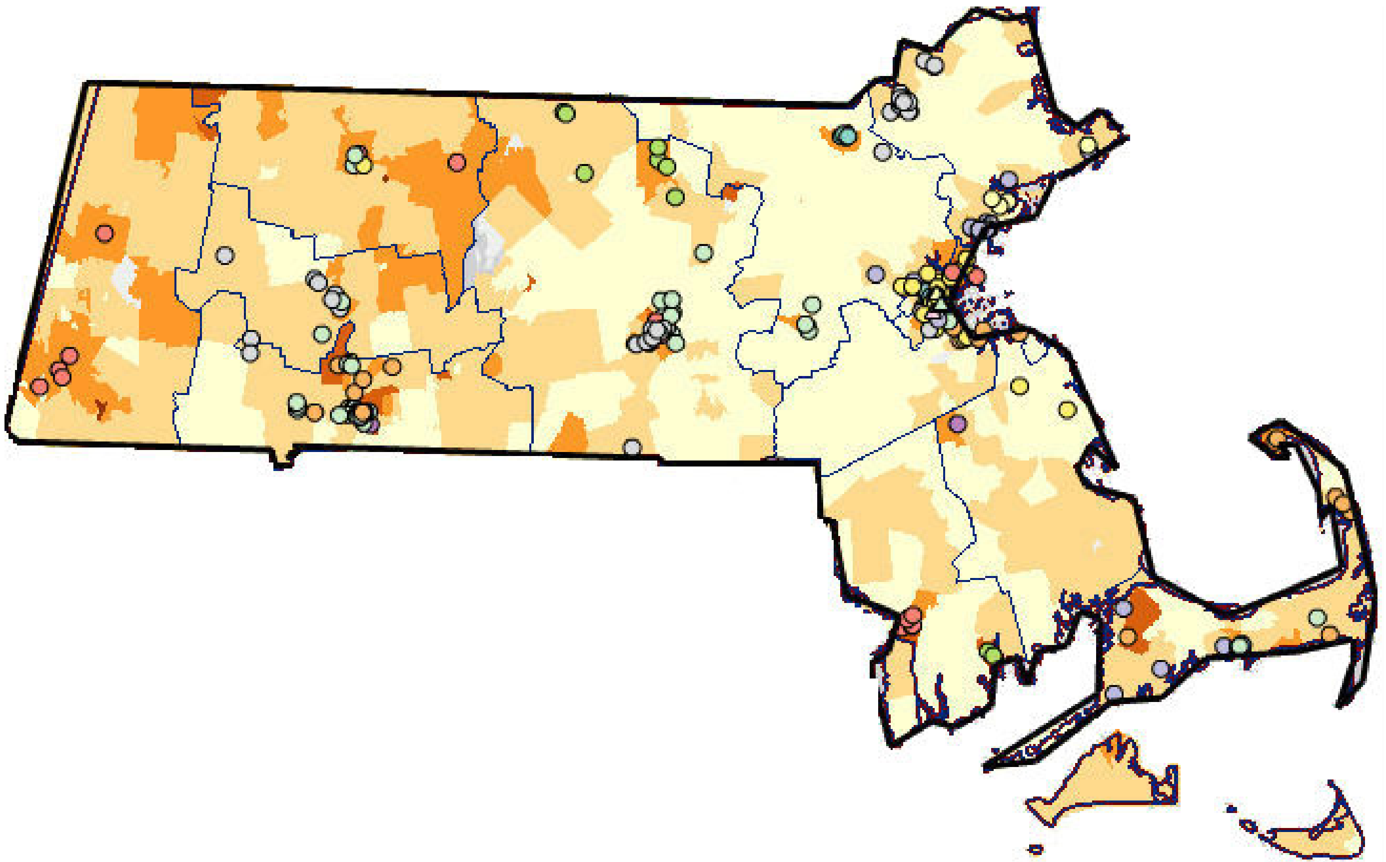
% of Total Population Served by CHCs



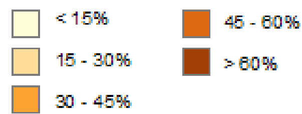
Colored circles represent CHC locations.
Unique color for each CHC network.

Source: UDS Mapper 2014

Massachusetts Low Income Population [13]



% of Low-income (Pop below 200% FPL)



Colored circles represent CHC locations.
Unique color for each CHC network.

Source: UDS Mapper 2014

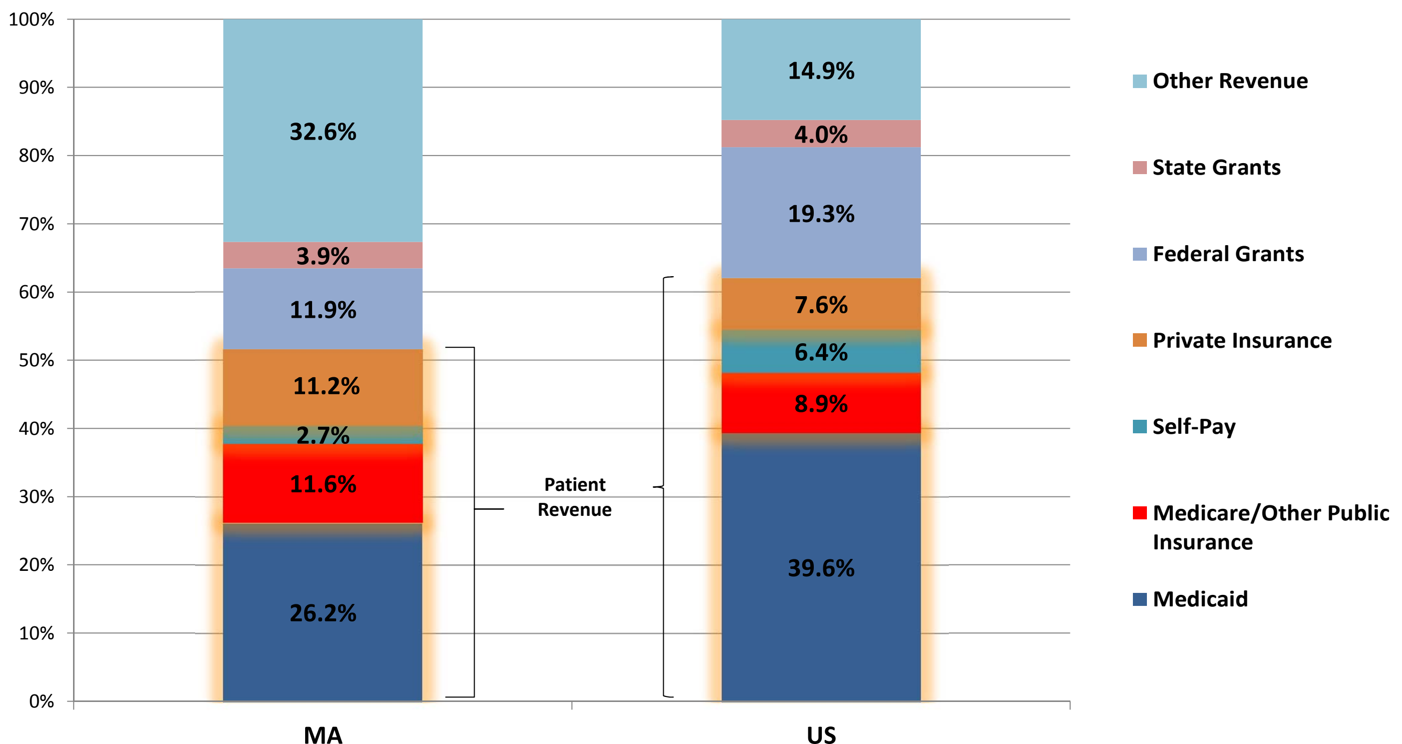
Massachusetts CHCs Compared to CHCs Nationwide, 2012

- Significantly lower proportion of revenue from patient services
- Significantly lower portion of patient revenues from Medicaid
- Higher revenues from private insurance and Medicare
- Lower reliance on federal grants
- Double the national average in "other revenue" which includes an indigent care pool and funding from local foundations.

	MA	US
CHC Revenue Mix		
Patient Revenue	51.6%	62.9%
Medicaid	26.2%	39.6%
Medicare/Other Public Insurance	11.6%	8.9%
Self-Pay	2.7%	6.4%
Private Insurance	11.2%	7.6%
Federal Grants	11.9%	19.3%
State Grants	3.9%	4.0%
Other Revenue	32.6%	14.9%

Note: All CHCs are Federally Qualifed Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014



Source: UDS Summary Data 2012

Massachusetts CHCs as a Group, 2009-2011

- Median Total Assets increased by 66%
- Median Days Cash on Hand decreased by 28%, from 37 to 27 days, just below the 30-day benchmark

MA Financial Performance 2009- 2011					
	Statewide CHC Medians			% Change	Benchmark
	2009	2010	2011		
Growth					
Total Assets ($)	$8,996,628	$9,842,493	$14,949,170	66%	N/A
Total Revenues ($)	$15,753,029	$18,052,660	$19,572,720	24%	N/A
Profitability					
Total Margin (%)	3.6%	3.0%	3.2%	-10%	N/A
Unrestricted Net Assets ($)	$4,570,232	$4,782,510	$5,575,407	22%	N/A
Liquidity					
Days Cash on Hand	37	34	27	-28%	>30 Days
Days in Accounts Receivable	38	36	38	0%	<60 Days

Note: CHC 990s have limitations, and certain indicators could not be accurately analyzed as a result. For a more complete picture of CHC financials, audited financial statements should be consulted.

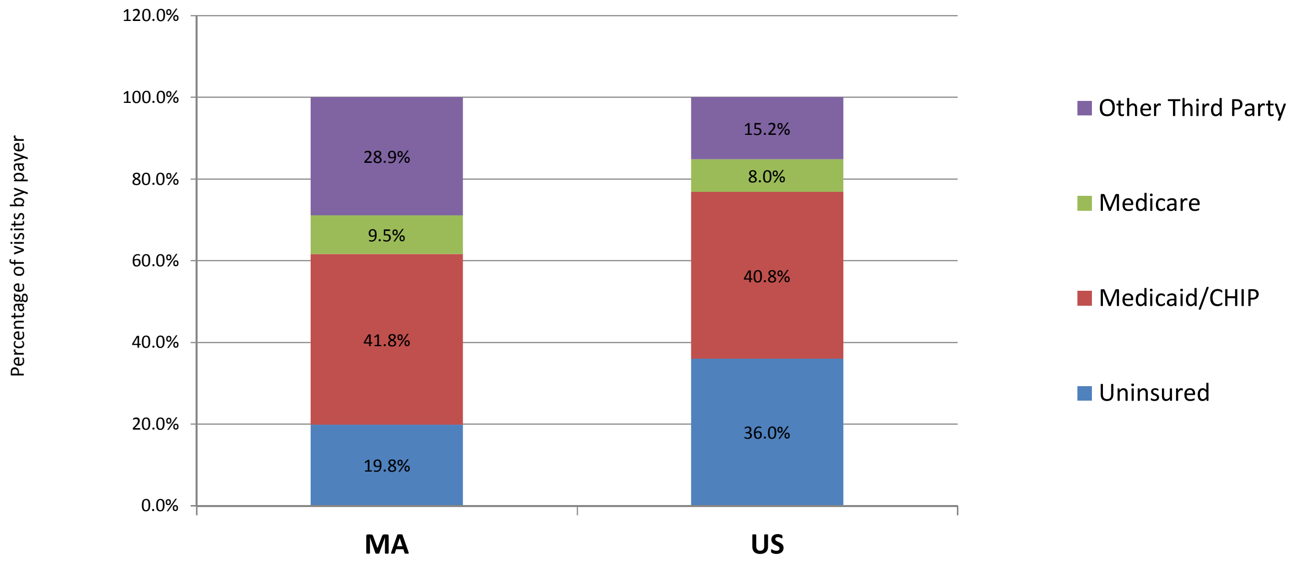
Sources: UDS Summary Data 2009-2011 and CHC Form 990s

Massachusetts CHCs Visit Mix Compared to CHCs Nationwide [14]

- Slightly lower proportion of patients living at or below poverty level
- Much lower proportion of uninsured patients
- Much higher proportion of third party payers, most likely due to the availability of subsidized insurance since 2006
- Visits from Medicaid and Medicare patients near national average

	MA	US
CHC Visit Mix - 2012		
Income Status		
Patients at or below 200% poverty level	90.6%	92.6%
Patients at or below 100% poverty level	68.1%	71.9%
Coverage Status		
Uninsured	19.8%	36.0%
Medicaid/CHIP	41.8%	40.8%
Medicare	9.5%	8.0%
Other Third Party	28.9%	15.2%

Source: UDS Summary Data 2012



Source: UDS Summary Data 2012

PRIMARY CARE NEED

Statewide Primary Care & Prevention Clinical Indicators

- Significantly better than national average on primary care & prevention indicators
- Ranked #4 in America's Health Rankings®

Statewide Primary Care Shortage & Workforce Indicators

- Significantly lower proportion of population underserved for primary care and dental care

	MA	US
Primary Care & Prevention Clinical Indicators		
% births to women with late/no prenatal care	2.3%	5.3%
% low birthweights	7.7%	8.1%
% adults diagnosed with diabetes	7.6%	9.3%
Adult diabetes deaths per 100,000	13.3	20.8
Adult heart disease deaths per 100,000	150.0	179.1
Avoidable Hospitalizations per 1,000	72.8	66.6
America's Health Ranking (United Health Foundation)	4	NA
Primary Care Shortage and Workforce Indicators		
Estimated underserved population for primary care	127,383	35,057,608
% of total population	1.9%	11.3%
Estimated PCPs needed to achieve target PCP:Population	56	7067
Estimated underserved population for dental	229,124	31,707,007
% of total population	3.5%	10.2%
Estimated dental providers needed to achieve target Practitioner:Population ratio	74	6531

Source: Kaiser State Health Facts 2012

PRIMARY CARE TRANSFORMATION

Patient Centered Medical Home [2] [15]

- 81% of CHCs achieved PCMH recognition or certification as of 7/1/14 compared to 58% nationally.
- In June 2009, the state began a Patient-Centered Home Medical Home Initiative (PCMHI). The participating practices, which included 500 providers and served 500,000 patients, received enhanced payments and technical assistance in exchange for meeting core standards within 18 months of project launch.
- In 2012, Massachusetts created a Health Policy Commission to create strategies to control healthcare costs. Among other strategies, it was directed to develop certification standards, a training program and a model payment system for PCMHs.
- Massachusetts is one of the six states selected to receive a CMS State Innovation Model Testing Award ($44 million) to advance patient-centered medical homes.

Electronic Health Record Adoption [16]

- Close to the national average EHR availability at state CHC sites (92% in Massachusetts compared to 88% in the U.S.)
- Achieve 11 of the 12 EHR functionalities – higher than the national average

Medicaid Policies – Highlights

- Higher per-enrollee Medicaid spending than the national average
- Positive changes in Medicaid and medical home initiatives should increase access and expand enrollment.

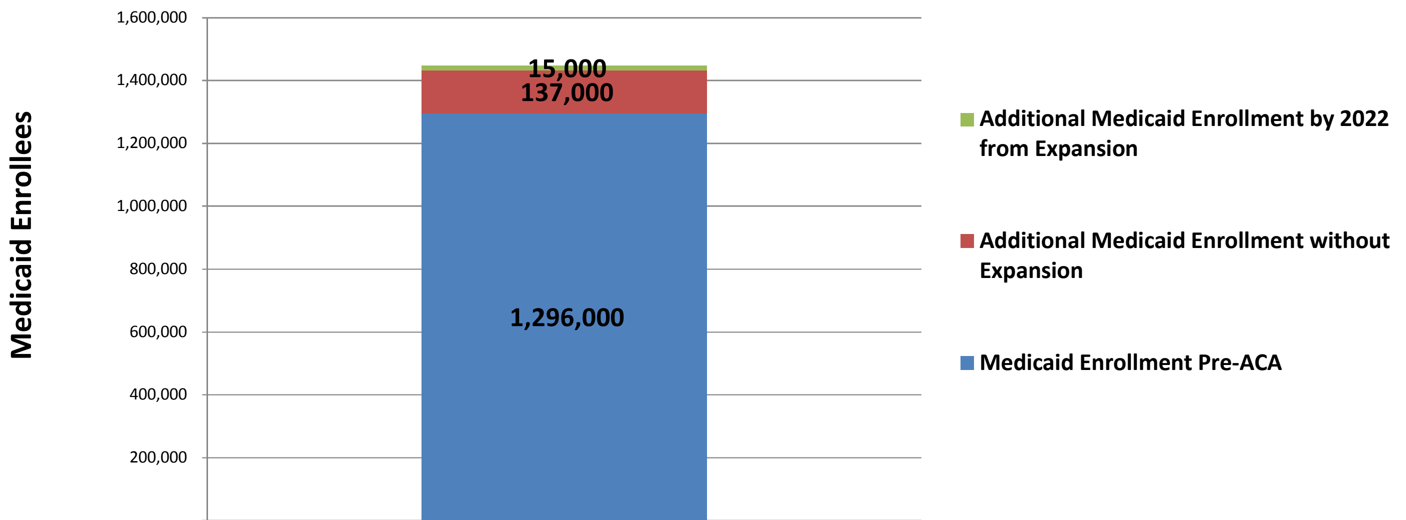
	MA	US
Medicaid Policies		
Medicaid Payments Per Enrollee	$6,841	$5,563
Federal Medical Assistance Percentage (FMAP)	50.0%	50.0%
Health Insurance & Medicaid Expansion		
Implementing Medicaid Expansion	Implementing	
Health Insurance Exchange	State	
Total Uninsured	224,000	53,277,000
% of Uninsured Individuals (all ages)	3.4%	17.2%
Medicaid Enrollment Pre-ACA	1,296,000	52,410,000
% of Total Population	19.8%	16.9%
Additional Enrollment with ACA but no Medicaid Expansion	137,000	5,659,000
Additional Enrollment with ACA and Medicaid Expansion	152,000	21,280,000
% Growth in Medicaid Enrollment from ACA + Expansion	11.7%	40.6%
Estimated Number Remaining Uninsured After ACA	184,000	27,930,000
Estimated % Uninsured After ACA (2020)	2.7%	8.7%

Source: Kaiser State Health Facts 2012, Urban Institute HIPSM 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Health Insurance & Medicaid Expansion – Highlights

- Implementing Medicaid expansion
- Has had a state-run health insurance exchange, Massachusetts Health Connector, since 2006
- Significantly lower proportion of uninsured than U.S. average
- Proportion of residents who are uninsured is expected to decrease from 4.8% to 2.7% over the next decade as a result of ACA and other state-led initiatives.



Source: Kaiser State Health Facts 2012

Massachusetts Medicaid Spending

MassHealth, Massachusetts' Medicaid and CHIP Program, spends just over $6,800 per Medicaid enrollee annually – the 13th highest in the nation for all health care services provided. [5] Overall, Total Medicaid Spending in 2012 totaled nearly $13 billion dollars. [17]

Subsidized Care Coverage & Administration

Massachusetts has long been a leader in reform efforts affecting residents' access and health benefit funding as well as providers' health care delivery and payment. In 2006, Massachusetts received federal approval of a waiver amendment to enact groundbreaking health reform to expand Medicaid and private health insurance and provide "near-universal" coverage. [18]

Beyond those earlier reforms, Massachusetts is expanding MassHealth under the ACA. The state obtained approval of a waiver amendment in October 2013 to comport with ACA provisions and take advantage of federal cost-sharing and premium assistance, while preserving and extending the state's own coverage and access advances. Key aspects that relate to primary care access include: [19]

- Expanding Medicaid and CHIP eligibility to the higher percent of FPL levels shown in the table below, which should provide coverage for thousands of newly eligible low-income adults, most of whom will transition from other state-subsidized programs that Massachusetts had previously made available for low-income individuals. [20] [21]
- Transitioning some residents previously enrolled in state-subsidized programs to Massachusetts Health Connector, Massachusetts' Health Insurance Marketplace, while maintaining and not raising the out-of-pocket costs being borne by these residents. [19]
- Providing premium assistance to residents with incomes between 138 and 305% FPL who work for small employers with access to employer-sponsored insurance and are ineligible for MassHealth or the Massachusetts Health Connector. [19]

A five-year waiver renewal announced October 31, 2014 will update and solidify these and other provisions.

MassHealth provides coverage for dental, mental health and substance abuse services, with benefit coverage varying by age and income level. [22] MassHealth enrollees can opt to enroll in a Primary Care Clinician (PCC) plan and a Managed Care Organization (MCO) plan. [9] As of 2011, 53% of the state's Medicaid Population was enrolled within one of the MCO's operating in the state. [23]

Through the Health Safety Net (HSN) Massachusetts devotes significant funding to CHCs for indigent care and for low income residents, the HSN pays for medically necessary services at Massachusetts CHCs and hospitals. [19] [24]

Medicaid and CHIP Income Eligibility Limits as % of FPL

	Children Ages 0-19	Pregnant Woman	Parents of Dependent Children	Non-Disabled Adults
2013	300%	200%	133%	NA
2014	305%	205%	138%	138%

Source: Kaiser State Health Facts 2012

Massachusetts CHC Reimbursement Policies [8, 25]

In Massachusetts, Medicaid reimbursement is governed by an alternative payment methodology. The state lacks a scope of service definition, but has a provision to adjust rates or establish an additional separate rate for a CHC if: (1) access to the provision of care is threatened; (2) services are expanded to meet area need; or (3) the state and a CHC enter into an initiative that will increase the CHC's costs. CHCs must be able to demonstrate that they will implement within 90 days the program for which a rate adjustment is sought. The state is required to act on adjustment requests within 60 days of receipt of application. CHCs are required to file cost reports in MA and the state uses these in making rate determinations. Rate adjustments are retroactive to the application date.

Massachusetts' CHCs receive separate Medicaid rates for medical, dental and mental health services, and varying rate schedules are set for other services (e.g., lab, radiology).

Face-to-face CHC visits to an MD, DO, NP, PA, RN and psychiatrist are billable by MassHealth. CHC providers including but not limited to dentists, optometrists, opticians and podiatrists are subject to separate rates.

MassHealth allows only one medical visit to be billed per day; CHCs may also bill for visits for dental and behavioral health for the same patient on the same day. For managed care enrollees, the state channels wrap-around payments through the HMOs to the CHCs.

Primary Providers Eligible for Reimbursement

State	MD	DMD	NP	Psychologist	Other
NJ	Yes	Yes	Yes	Yes	N/A

Secondary Providers Eligible for Reimbursement

State	RN	LCSW	Physical Therapist	Dental Hygienist	Nutritionist
NJ	No	Yes	No	No	No

Source: Update on the Status of the FQHC Medicaid Prospective Payment System in the States. NACHC, 2011

Collaboration with CMS [26]

Massachusetts continues to innovate around payment reform and quality improvement: with $44 million in funding from a CMS State Innovation Models grant, the state issued an RFP in March 2013 for a new demonstration known as the Primary Care Payment Reform Initiative (PCPRI) that will move away from fee-for-service to integrated care delivery. Specifically, the state is looking to promote primary care delivery that meets Massachusetts' definition of a patient-centered medical home and integrates outpatient behavioral health care through full-integration or co-location or inter-organization coordination. PCPRI will be comprised of three components: (1) a risk-adjusted monthly capitation payment for a specified set of primary care and behavioral health services; (2) an incentive payment for quality achievements; and (3) shared savings/risk payment options. [27] There are protections built in for CHCs if payments drop below what would otherwise be anticipated. As of October 2013, 16 CHCs had applied to participate.

Massachusetts CHCs participate in the FQHC Advanced Primary Care Demonstration, where select FQHC Grantees will receive funding to demonstrate how the patient-centered medical home model improves quality of care, promotes better health, and lowers costs. There are 8 grantees and 13 total health center sites participating in the demonstration in Massachusetts. Massachusetts has also received a duals demonstration grant from CMS to "coordinate care across primary, acute, behavioral health and long-term supports and services for dual eligible individuals"

Notes

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