



# Executive Office of Health & Human Services

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**Governor Baker's FY2021 Budget Proposal**  
January 22, 2020



# Department of Developmental Services (DDS)

## Agency Summary

DDS creates opportunities for individuals with intellectual disabilities to participate in and contribute meaningfully to their communities. DDS supports approximately 42,000 adults and children with intellectual and developmental disabilities including those with Autism Spectrum Disorder. DDS also provides residential services to individuals with acquired brain injury. Services include day programs, employment support, residential, family support, and transportation. Services are provided through state operated facilities and 253 community-based state operated programs, under contract with more than 229 private provider agencies.

## House 2 Budget

H.2 funds DDS at \$2.147 B, a \$41.3 M (+2%) increase above FY20 spending and a \$54.9 M (+3%) increase above FY20 GAA.

## H.2 Budget Highlights

- H.2 formalizes the DDS *Technology Forward* agenda, including:
  - A new line item entitled Supportive Technology for Individuals (\$500 K) to pilot approaches using assistive technology and remote supports to decrease reliance on group home care
  - Continued support for technology (including new laptops and mobile phones) that allows our 600 DDS Service Coordinators to manage caseloads more efficiently from the field
- \$7.7 M investment for Family Supports above the FY20 GAA.
- For the fourth consecutive year, H.2 fully funds the Turning 22 class in FY21.



# MassHealth

## Agency Summary

MassHealth offers essential health care coverage to 1.8 million members, approximately one in four residents of the Commonwealth residents:

- 675,000 low and moderate income adults (39% of all members).
- 650,000 low and moderate income children (36% of all members).
- 305,000 people with disabilities and 185,000 seniors (combined, 25% of all members).

## Priorities

- Maintaining comprehensive, high quality, and affordable **coverage** for all members.
- Increasing investments in behavioral health and primary care within the construct of the overall cost growth benchmark.
- Continuing efforts to reduce prescription drug prices through new authority to negotiate directly with drug manufacturers & increase PBM transparency.
- Continuing to manage **MassHealth restructured integrated, accountable care models**, with investments supported by the 1115 waiver (\$1.8B over 5 years).
- Making the MassHealth program sustainable through ongoing **program integrity** and operations efforts.
- Continuing management of and investments in **home and community based long term supports and services**.



# MassHealth

## House 2 Budget:

- MassHealth programmatic accounts are funded at \$16.772 B gross, \$6.740 B net, an increase of 0.6% gross and 0.5% net over FY20 estimated spending.
- \$598M in supplemental payments for hospitals funded by the Medical Assistance and Safety Net Provider Trust Funds, excluding intergovernmental transfers.

## H.2 Budget Highlights:

- **Ensure a sustainable MassHealth program without impacting eligibility or benefits**
  - Enrollment growth below historical trend (+0.7% vs. FY20 to 1.83 M avg. member months\*).
  - Preserves coverage and benefits for MassHealth members.
  - Limited rate increases, outside of targeted investments and required spending increases.
  - \$44 M gross / \$22 M net commitment to new program integrity solutions:
    - \$44 M gross is in addition to ~\$150 M gross of incremental savings from program integrity initiatives between FY18 and FY20 and a total of over \$500 Million savings since 2015
  - \$150 M gross rebates (\$56 M in state savings) from supplemental rebate negotiations with drug manufacturers, as authorized by the FY20 budget.
- **Accountable Care Organizations Capitations**
  - ACO capitations in FY21 will fully fund the acuity adjustments made for ACOs in CY20.
    - In addition, provides for growth in CY21 in ACO total cost of care rates in line with managing costs at or below HPC benchmark.



## H.2 Budget Highlights (continued):

- **Continued investments in Behavioral Health (addictions, mental illness and co-occurring disorders)**
  - The Baker-Polito Administration is committed to establishing an ambulatory behavioral health treatment that includes a working “front door” for consumers who need help accessing behavioral health service; real-time access to treatment where needed; stronger integration of behavioral health treatment into primary care settings; and a functioning system of crisis and specialty outpatient behavioral health.
  - In FY21, MassHealth will invest more than \$60M through:
    - Dedicated funding to support EOHHS behavioral health redesign initiatives: \$40 M
    - Annualizing rate increases for payment of psychiatry in community health centers at parity with other services: \$3 M
    - Increasing rates for Intensive/Community-Based Acute Treatment (I/CBAT) programs: \$3 M
    - Increasing rates for fee-for-service inpatient psychiatric hospitals: \$11 M
    - Annualize investments in the Emergency Services Program (ESP) to expand access to mobile and community-based treatment: \$11 M
    - Continued support for telehealth and the development of an ambulatory behavioral health treatment system.
  - Continuation of SUD waiver expansion (>\$200 M investment over 5 years).
- **Other investments and required spending increases**
  - Medicare premiums rate increase: \$35 M gross/ \$11 M net.
  - PCA wage increase: \$18 M gross/ \$9 M net.
  - Expanded capacity in ABI/MFP Waivers: \$35 M gross/ \$18 M net.
  - Investments in home and community-based LTSS services (e.g. home health, Day Habilitation): \$14 M gross/ \$7 M net.