
Massachusetts Uncompensated Care Pool

November 4, 2005

Division of Health Care Finance and Policy

Agenda

- UCP Overview
- Financial Data and Summary
- UCP Services
 - UCP and other programs
 - Eligible Services
- UCP Users
- Summary and Contact Information

Uncompensated Care Pool- Overview

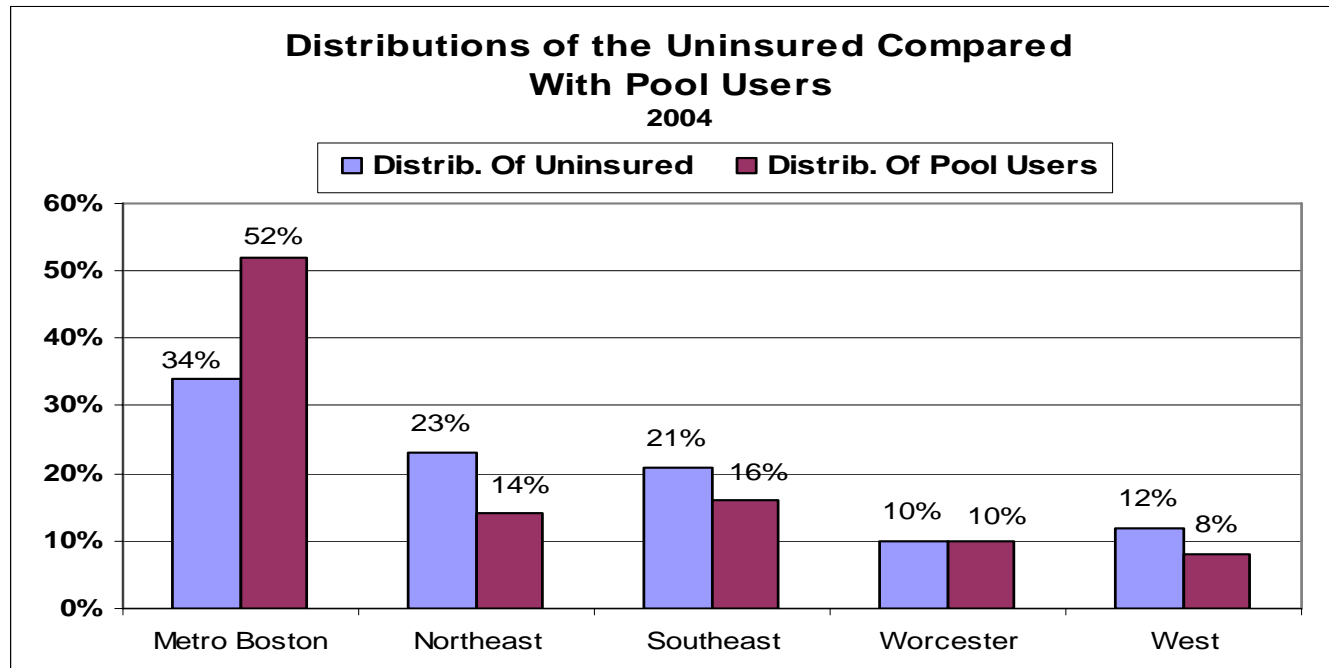
Background:

- **1985:** created as payments to hospitals to redistribute burden of providing free care.
- **1990s:** evolved into “free care program”, UCP used as form of health insurance for uninsured.
- **Late 1990s:** begin pool reforms to increase accountability to stakeholders.
- **2004:** movement back to original intent, payers demand more accountability for their contribution, effort to stop undermining MassHealth policy, effort to increase transparency in system, expose need for “real reform” to cover uninsured.

Uncompensated Care Pool- Overview

- UCP pays for medically necessary services provided by hospitals and community health centers to low-income uninsured and underinsured individuals.
- Not all people who access care through the Pool are uninsured, and not all uninsured people access care through the Pool, or access care at all in a given year.

Uncompensated Care Pool- Overview



- Pool users are concentrated in the Metro Boston area, while the uninsured are distributed more evenly throughout the state
- The uninsured survey population and the Pool user population differ significantly:
 - Pool users may be underinsured, not uninsured
 - Not all uninsured people are low-income

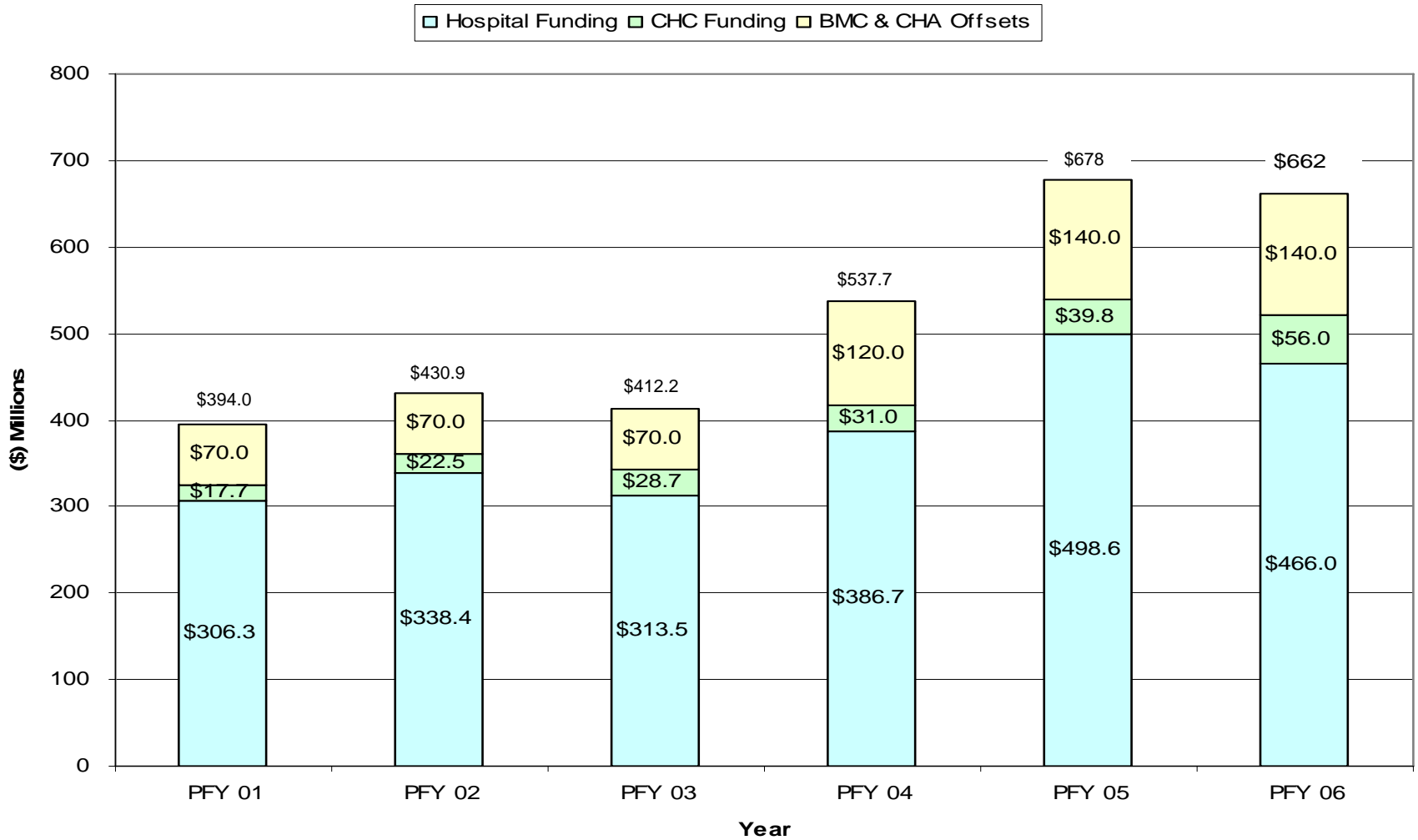
Source: PY2004 UCP Claims Data and 2004 Household Insurance Survey, DHCFFP

Financial Data- Sources & Uses

Sources <i>in millions</i>	PFY 2006
Assessment	\$160
Surcharge	\$160
General Fund Contribution	\$171.9
Other Sources	\$34.1
Total Sources	\$526.0
Uses <i>in millions</i>	
Hospital Payments	\$466.0
CHC Payments	\$56.0
Demonstration Projects	\$4
Total Uses	\$526.0
<i>Supplemental Payment Offsets to UC Costs</i>	<i>\$140</i>
Total UCP Funding	\$666.0

Financial Data

Hospital & CHC Funding



Financial Summary

- Between 2001 – 2005:
 - Funding increased by 65% from \$327 to \$539 million
 - Government funding ranges from \$30 - \$219 million
- In PFY04:
 - Total hospital costs of \$565 million
 - Shortfall of \$178 million
 - CHC costs were \$31 million

UCP Services

- **Full Uncompensated Care:** up to 200% FPL
- **Partial Uncompensated Care:** 201% to 400% FPL
 - (Gross Family income-200% FPL) x 40% = Annual Deductible
- **Medical Hardship:** any income level with extraordinarily high medical expenses
 - Available Assets + 30% of Gross Income = Medical Hardship Contribution
- **Emergency Bad Debt:** bad debt resulting from emergency services provided to uninsured patients where no UCP application could be obtained

UCP and Other Programs

- MassHealth members also have UCP eligibility
 - Exception: CMSP members with FPL > 400% FPL
 - Only for medically necessary services not covered by MassHealth (i.e. non-emergency services for a Limited patient)
 - CenterCare is a DPH-administered program
 - Eligibility up to 200% FPL
 - CenterCare is not a MassHealth program
 - CenterCare members must complete a MassHealth application to be determined eligible for MassHealth/UCP
 - DMH clients must complete a MassHealth application to be determined eligible for MassHealth/UCP
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Eligible Services

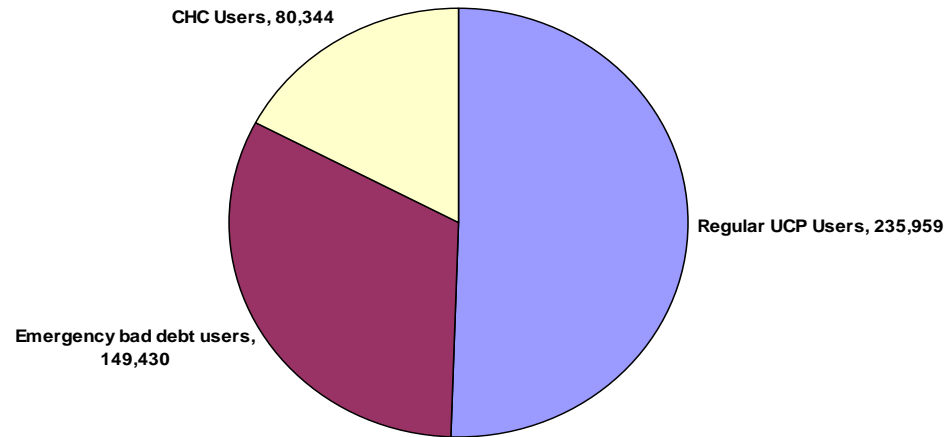
- The UCP does not reimburse private physicians, independent laboratories, or private physician groups (such as Harvard Vanguard)
- UCP does not reimburse TCUs, SNFs, or other sub-acute care
- Services eligible for UCP reimbursement must be medically necessary
- The UCP is always the payer of last resort

Eligible Services

- The UCP is not insurance and does not adjudicate claims
- The UCP, unlike insurance, does not describe “covered” services
 - Providers must be confident that the claim is medically necessary
 - Providers are subject to audit
- Eligible Services are hospital or CHC services that are medically necessary, and that conform to the site of service definition in UCP regulations

UCP Users

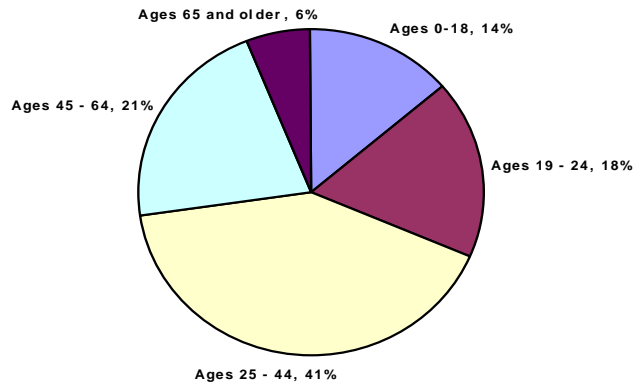
Number of Pool Users



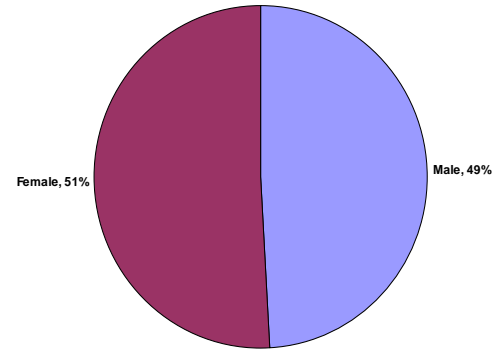
- In Pool Year 2004, 465,733 individuals used the UCP
- The majority of users received services at hospitals

UCP Users

UCP Users by Age



UCP Users by Gender



- 62% of users are between the ages of 25 and 64; 14% of users are children aged 0-18
- Average family size: 1.7 people
- Average reported annual family income: \$11,415

UCP Users: Inpatient Profile

- *The typical Pool user in PY2004:*
 - Had full uncompensated care
 - Was a male, aged 19-64
 - Was low-income, with a reported income of less than 200% of the FPL
 - Was a resident of Massachusetts, in Metro Boston
 - Had no insurance
 - Received inpatient services in a teaching hospital, most likely for:
 - Circulatory diseases and disorders
 - Mental diseases and disorders
 - Alcohol/Drug use and induced organic mental disorders

UCP Users: Outpatient Profile

- *The typical Pool user in PY2004:*
 - Had full uncompensated care
 - Was a female, aged 19-64
 - Was low-income, with a reported income of less than 200% of the FPL
 - Was a resident of Massachusetts, in Metro Boston
 - Had no insurance
 - Received outpatient services teaching hospital, most likely a:
 - Clinic visit
 - Pharmacy visit or
 - Laboratory test (pulmonary, bloodwork, CT scans)

UCP Contact Information

- UCP Provider Help Line: 1-617-988-3222
- UCP Patient Help Line: 1-877-910-2100
- UCP Billing & Claims: 1-800-542-7648
- HCFP web site: www.mass.gov/dhcfp
 - FAQs updated frequently
 - UCP regulations available