

NOTICE OF PROPOSED AGENCY ACTION

SUBJECT: MassHealth: Payment for Nursing Facility Services effective October 1, 2016

AGENCY: Massachusetts Executive Office of Health and Human Services

101 CMR 206.00: STANDARD PAYMENTS TO NURSING FACILITIES

The following describes and summarizes the proposed changes to MassHealth payments for nursing facility services described in 101 CMR 206.00. The proposed amendments revise the nursing facility payment rates effective October 1, 2016. The amendments implement Section 2, Line Item 4000-0640 of Chapter 133 of the Acts of 2016 (the FY2017 budget), which authorizes additional expenditures of \$52.8 million, relative to the rates in effect on July 1, 2016, including \$35.5 million for a rate add-on related to wages, benefits and related employee costs of direct-care staff.

Goals, Objectives, and Justification of the Proposed Methodology

For the period between October 1, 2016 and June 30, 2017, and relative to the rates in effect on July 1, 2016, the proposed amendments will increase the user fee add-on by \$2.12 per day for group 1 facilities for a total user fee add-on of \$17.59 per day, and \$0.21 per day for group 2 and 3 for a total user fee add-on of \$1.76 per day, with an additional one-time add-on of \$0.71 per day for group 1 facilities and \$0.07 per day for group 2 and 3 facilities. The proposed amendments also establish a facility-specific direct care staff add-on ranging from \$2.93 per day to \$13.47 per day, with an additional facility-specific one-time add-on ranging from \$0.99 to \$4.57 per day. The proposed amendments also increase the capital standard for new beds from \$28.06 to \$37.60 per day, and update requirements for the publically operated facility, large Medicaid provider, and Department of Developmental Services rate add-ons. The proposed amendments also maintain FY2017 nursing facility pay for performance program funding at \$2.8 million.

EOHHS is making these changes, subject to federal approval, to implement the provisions of the statute, and to ensure that payments are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities. It is estimated that annual aggregate MassHealth expenditures will increase by \$52.8 million as a result of the amendments, compared to the rates in effect on July 1, 2016.

Copies of the amended regulation and rates are available at EOHHS or may be viewed at EOHHS's website at www.mass.gov/eohhs/gov/laws-regs/hhs/hospitals-nursing-homes-and-rest-homes.html#114_2_6. Individuals may submit written comments by e-mailing ehs-regulations@state.ma.us. Please submit electronic comments as an attached Word document or as text within the body of the e-mail with the name of the regulation in the subject line. All submissions must include the sender's full name and address. Individuals who are unable to submit comments by e-mail should mail written comments to EOHHS, c/o D. Briggs, 100 Hancock Street, 6th Floor, Quincy, MA 02171. To be considered, written comments must be

submitted by 12:00 p.m. on Monday, September 26, 2016. EOHHS will also schedule a public hearing on these amendments.