



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Office of Medicaid**  
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## **Acute Inpatient Hospital Bulletin 203**

**DATE:** June 2025

**TO:** Acute Inpatient Hospitals Participating in MassHealth

**FROM:** Mike Levine, Assistant Secretary for MassHealth

**RE: Correction of Cell and Gene Therapy Adjudicated Payment Amount per Discharge and Adjudicated Payment per Episode of Care Carve-Out**

### **Background**

MassHealth maintains lists of Adjudicated Payment Amount per Discharge (APAD) and Adjudicated Payment per Episode of Care (APEC) carve-out drugs. These lists currently comprise one-time infused cell and gene therapies. Managed Care Organizations (MCOs) and Accountable Care Partnership Plans (ACPPs) currently review prior authorization (PA) and reimburse for claims for their enrollees for APAD and APEC carve-out drugs.

This bulletin updates and replaces AIH Bulletin 201, and provides additional submission guidance to hospitals.

### **Changes Effective April 1, 2025**

Effective April 1, 2025, MassHealth transitioned the review and management of all APAD and APEC carve-out drugs to the MassHealth Drug Utilization Review (DUR) Program. Effective for dates of service on or after April 1, 2025, all PA requests for APAD and APEC carve-out drugs must be submitted to the DUR Program for review and approval before administration. Hospitals should submit APAD and APEC carve-out drug claims to MassHealth and MassHealth will pay these claims directly for ACPP and MCO enrollees consistent with Sections 5.B.8.b and 5.C.9 of the current MassHealth Acute Hospital Request for Applications (Acute Hospital RFA) for in-state acute hospitals and regulations at 130 CMR 450.233(D) for out-of-state acute hospitals. This change centralizes oversight to ensure appropriate utilization, enhance prior authorization efficiency, and streamline payment processes. MassHealth has issued guidance to outline submission procedures that MCOs will need to follow, including information about what MCOs and ACPPs should do if they receive PA requests for APAD and APEC carve-out drugs.

Please refer to the [MassHealth Acute Hospital Carve-Out Drugs List](#) on the MassHealth Drug List for the list of drugs and additional information on the prior authorization review process and payment. Payment will be consistent with Sections 5.B.8.b and 5.C.9 of the current MassHealth Acute Hospital Request for Applications (Acute Hospital RFA) for in-state acute hospitals and regulations at 130 CMR 450.233(D) for out-of-state acute hospitals.

Only PA requests for the APAD and APEC carve-out drugs themselves will be reviewed by the MassHealth DUR Program. Hospitals must continue to submit all other required PA requests and all required pre-admission screening requests to the applicable MCO or ACPP for members enrolled in these plans.

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