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**Administrative Bulletin 18-18**

**101 CMR 614.00: Health Safety Net Payments and Funding**

Effective October 1, 2018

**Health Safety Net Interim Payment Policies for Acute Hospitals and Community Health Centers**

The Health Safety Net (HSN) must update its systems to comply with the Massachusetts Executive Office of Technology Services and Security requirements. The initial updates will occur from October 2018 through December 2018. During this time, both HSN payment processes and the INET system will be affected.

While payment systems are affected from October 2018 through December 2018, the HSN will make interim payments to acute hospitals and community health centers as set forth below.

The HSN will determine providers' monthly interim payments by calculating a provider's average monthly demand over a 12 month period from September 2017 through August 2018. Demand is the amount of a provider's Reimbursable Health Services (RHS), including pharmacy and dental services, as reimbursed in accordance with 101 CMR 614.06 or 614.07, without application of the shortfall under 101 CMR 614.03(2)(b).

**The interim payment amount for acute hospitals will be calculated as follows:**

The interim total allowable RHS will incorporate the payments providers received on 837I, 837P, dental services (if applicable to that facility), POPS (pharmacy claims), emergency room bad debt recoveries, and free care endowment income. HSN will utilize the monthly average of RHS over a 12 month period from September 2017 through August 2018 to calculate the interim payment amount for each month during the interim payment period from October 2018 through December 2018.

**The interim payment amount for community health centers will be calculated as follows:**

The interim total allowable RHS will incorporate the payments providers received on 837P, dental services, and POPS (pharmacy claims). For the interim averages of 837P, dental services, and POPS, HSN will utilize the monthly average of RHS over a 12 month period from September 2017 through August 2018.

A community health center's average monthly interim payment will be the sum of the three averages determined through the process described above.

Providers must continue to submit claims during the interim payment period from October 2018 through December 2018. These claims will be paid in January and used for the interim payment recovery.

**Interim Payment Recovery**

The interim payment recovery period will begin in January 2019. During the interim payment recovery period, a provider's monthly payment will be reduced by the interim payment recovery to reflect the actual payments made during the interim payment period.



**The interim recovery amount for acute hospitals will be calculated as follows:**

For each month, beginning in January 2019, the interim payment recovery will be determined by comparing a provider's monthly demand, based on claims submitted to MassHealth, to POPS (for pharmacy claims), or for dental claims (DentaQuest and/or 837D), and the monthly interim payment balance. The adjustment is calculated as follows:

- (a) If monthly demand is less than two times the one month interim payment amount, then the recovery will be equal to half of monthly demand, up to the amount of the remaining interim payment balance; or
- (b) If monthly demand is greater than or equal to two times the one month interim payment amount, then the recovery will be equal to monthly demand minus the one month interim payment amount, up to the amount of the remaining interim payment balance.

If an interim payment balance remains in the April 2019 payment cycle, the recovery amount for the April 2019 payment cycle will be equal to the remaining interim payment balance.

**The interim recovery amount for community health centers will be calculated as follows:**

For each month, beginning in January 2019, the interim payment recovery will be determined by comparing a provider's monthly demand, based on claims submitted to MassHealth, to POPS (for pharmacy claims), or for dental claims (DentaQuest and/or 837D), and the monthly interim payment balance. The adjustment is calculated as follows:

- (a) If monthly demand is less than two times the one month interim payment amount, then the recovery will be equal to half of monthly demand, up to the amount of the remaining interim payment balance; or
- (b) If monthly demand is greater than or equal to two times the one month interim payment amount, then the recovery will be equal to monthly demand minus the one month interim payment amount, up to the amount of the remaining interim payment balance.

The HSN will continue with the recovery formula for community health centers until the entire interim payment balance has been recovered.

The HSN is available to answer any questions or address any concerns specific facilities may have with the calculations or processes described above. HSN Helpdesk can be reached at [HSNHelpDesk@State.MA.US](mailto:HSNHelpDesk@State.MA.US).