



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Office of Medicaid**  
[www.mass.gov/masshealth](http://www.mass.gov/masshealth)

**MassHealth**  
**Home Health Agency Bulletin 59**  
**July 2020**

**TO:** Home Health Agency Providers Participating in MassHealth

**FROM:** Amanda Cassel Kraft, Acting Medicaid Director

**RE: FY19 Supplemental Budget Surplus Distribution**

### **Introduction**

This bulletin communicates changes to the implementation of the Commonwealth of Massachusetts' FY2019 (FY19) Supplemental Budget (Chapter 142 of the Acts of 2019), which, among other things, provided additional funding for MassHealth-covered home health aide services, as described below.

The FY19 supplemental budget appropriated additional funds to adjust rates for home health aide services provided through MassHealth and through the Executive Office of Elder Affairs (EOEA) Homecare program. EOEA and MassHealth have been distributing this funding through add-on rates from April – June 2020. The FY19 supplemental budget further specifies that providers receiving this funding must submit a Spending Plan to EOEA that accounts for how they will utilize those funds across all specified services. These legislative requirements remain unchanged.

During the fourth quarter of state fiscal year 2020, due to COVID-19, providers experienced an unanticipated and significant reduction in service utilization. As a result of this reduction in utilization, MassHealth and EOEA project that there will be a surplus in the appropriation after all service units have been paid at the current add-on rates from April – June 2020.

### **Distribution of Appropriated Funds from the FY19 Supplemental Budget**

MassHealth will take special action to distribute the final surplus after the implementation period has completed. Based on the final service utilization from April – June 2020, MassHealth will recalculate the add-on rate amount and will promulgate emergency regulations that adjust the add-on rate for June 2020. After doing so, MassHealth will process billable units incurred during June 2020, at the higher add-on rates to account for the surplus. Please note the following elements of this change.

- **Distribution to direct care workers** – All providers are reminded that this funding is required to be passed down to direct care workers in the form of increased wages, compensation, or other salary-related costs as described in the legislation and previous guidance documents. The funding cannot be used to offset lost revenue or pay for other expenses incurred as a result of COVID-19.
- **Payment based on service utilization** – Final payments to providers will continue to be based on actual service utilization.

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- **Spending Plan requirement** – Providers are required to review their original Spending Plan submission and determine if changes are necessary based on the surplus distribution and the COVID-19 pandemic in order to meet the legislative requirements for this funding. If changes are necessary, providers are required to document the changes to their Spending Plan and retain the documentation internally. Providers will be required to provide an updated Spending Plan upon request to EOEa or MassHealth.
- **Timing** – Timely submission of units from April – June 2020 will be essential to the efficient and effective distribution of the surplus funding. Providers should note the following milestone.
  - MassHealth providers are expected to submit all units from April – June 2020 by July 15, 2020.

MassHealth will use the units submitted as of the above dates to recalculate the add-on rates. Payment will be distributed through standard MassHealth processes.

### **Other Guidance and Questions Related to the FY19 Supplemental Budget**

All other previous guidance remains in effect during the surplus distribution process, except for the final add-on amount, which will be recalculated in early August 2020. This information is subject to change, and will be updated as necessary and appropriate. Please continue to monitor our website for additional information about this implementation process at [www.mass.gov/lists/eoea-and-masshealth-fy19-supplemental-budget-implementation](http://www.mass.gov/lists/eoea-and-masshealth-fy19-supplemental-budget-implementation).

If you have any additional questions, please email us at [FY19SupplementalBudget@mass.gov](mailto:FY19SupplementalBudget@mass.gov). This email inbox continues to be monitored, but responses may be delayed.

### **MassHealth Website**

This bulletin is available on the [MassHealth Provider Bulletins](#) web page.

To sign up to receive email alerts when MassHealth issues new bulletins and transmittal letters, send a blank email to [join-masshealth-provider-pubs@listserv.state.ma.us](mailto:join-masshealth-provider-pubs@listserv.state.ma.us). No text in the body or subject line is needed.

### **MassHealth LTSS Provider Service Center**

For questions not related to the FY19 Supplemental Budget, providers may reach out to the MassHealth LTSS Provider Service Center which is open from 8 a.m. to 6 p.m., Monday through Friday, excluding holidays. LTSS Providers should direct their questions about this letter or other MassHealth LTSS Provider questions to the LTSS Third Party Administrator (TPA) as follows.

Phone: Toll-free 1-844-368-5184

Email: [support@masshealthltss.com](mailto:support@masshealthltss.com)

Website: [MassHealthLTSS.com](http://MassHealthLTSS.com)

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LTSS Provider Portal: Trainings, general information, and future enhancements will be available at [www.MassHealthLTSS.com](http://www.MassHealthLTSS.com).