




Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth

MassHealth
Managed Care Entity Bulletin 104
October 2023

TO: Accountable Care Partnership Plans and Managed Care Organizations Participating in MassHealth

FROM: Mike Levine, Assistant Secretary for MassHealth 

RE: Extension of and Updates to the Temporary Rate Increases for Home- and Community-based Services and Behavioral Health Services

Applicable Managed Care Entities and PACE Organizations

- ☒ Accountable Care Partnership Plans (ACPPs)
- ☒ Managed care organizations (MCOs)
- ☒ MassHealth's behavioral health vendor
- ☐ One Care Plans
- ☐ Senior Care Organizations (SCOs)
- ☐ Program of All-inclusive Care for the Elderly (PACE) Organizations

Background

MassHealth's mission is to improve the health outcomes of our diverse members and their families by providing access to integrated health care services that sustainably and equitably promote health, well-being, independence, and quality of life. In support of that mission, MassHealth provides broad coverage of medically necessary health care services to its members.

The Executive Office of Health and Human Services (EOHHS) recognizes that a strong direct care and support workforce is essential to any effort to strengthen, enhance, and expand home- and community-based services (HCBS) and behavioral health outpatient and diversionary services. Accordingly, as part of its implementation of increased funding available under Section 9817 of the American Rescue Plan Act (ARPA) and by using additional Medicaid funding, EOHHS provided immediate time-limited rate enhancements from July through December 2021, to support HCBS and behavioral health workforce development. EOHHS later extended these rate enhancements through June 30, 2022, via Managed Care Entity (MCE) Bulletin 86. EOHHS extended these rate enhancements through December 31, 2022, via Managed Care Entity (MCE) Bulletin 91, using Medicaid funding. Now, EOHHS is extending certain rate enhancements through December 31, 2023, using Medicaid funding. These investments are aimed at strengthening and stabilizing the state's HCBS and behavioral health workforce.

This bulletin announces the extension of the enhanced rates and billing instructions in effect for Accountable Care Partnership Plans (ACPPs), managed care organizations (MCOs), and MassHealth's behavioral health vendor (referred to here collectively as "managed care plans") related to the provider rate increases described in [MCE Bulletins 71, 86, and 91](#). This bulletin announces extended rate increases directed for dates of service on or after January 1, 2023, through December 31, 2023.

MassHealth is concurrently publishing a companion bulletin (Managed Care Entity Bulletin 105), applicable to Senior Care Organizations (SCOs), One Care plans, and Program of All-inclusive Care for the Elderly (PACE) organizations.

Eligible Medicaid HCBS and Behavioral Health Direct Care, Clinical, and Support Staff

Managed care plans must ensure that their providers receiving the rate increases announced in this bulletin use at least 90% of the enhanced funds to support HCBS and behavioral health direct-care and support staff. HCBS staff, behavioral health direct-care and support staff, and behavioral health clinical staff providing managed care plan covered services that are eligible for the rate increases include, but are not limited to, frontline workers providing care, services, or support to families and individuals in home and community-based and behavioral health outpatient and diversionary settings.

Note: There are a variety of job titles that currently refer to these workers, including, but not limited to: licensed practical nurses (LPNs), registered nurses (RNs), psychiatric nurse practitioners, home health and home care aides (workers), nurse aides, nursing assistants, social workers, recovery coaches, recovery specialists, case managers, care coordinators, licensed and pre-licensed master level clinicians, psychologists, and psychiatrists.

The following workers are not considered HCBS and behavioral health direct-care, clinical, or support staff, and would be considered **ineligible** toward meeting the 90% requirement: executive management, administrators, or individuals in positions that do not include the provision of HCBS or behavioral health services or supports directly to the individual and their family.

Allowable Uses

Managed care plans must ensure that providers receiving the rate increases use this funding for the specific purposes of recruiting, building, and retaining their direct-care, clinical, and support workforce. Examples of allowable uses include:

- "recruitment," defined as the offering of incentives and onboarding/training;
- "bonuses," defined as added compensation that is over and above an hourly rate of pay and is not part of an employee's standard wages. An employee may receive a retention or recruitment bonus;
- "overtime," defined as compensation for additional hours worked beyond the employer's standard work week;

- “shift differential,” defined as additional pay beyond the employee’s standard hourly wage for working a specific shift (e.g., nights, weekends, holidays, etc.) or working for special populations (e.g., dementia, autism spectrum disorder, etc.);
- “hourly wage increase,” defined as an increase to the wage the provider agrees to pay an employee per hour worked; and
- “wraparound benefits,” defined as employer-provided benefits to help the workforce remain employed. Examples include public transportation or shared ride reimbursements, meal vouchers, or small grants for childcare assistance or regular car maintenance. Other examples include paying for testing or certification materials, continuing education credits (CEUs), or exam fees to encourage retention and promotion of staff.

Managed care plans should encourage their providers to choose the optimal distribution method to benefit their employees. Providers may use enhanced funds to cover costs associated with incentives provided to direct-care and support staff beginning on, but not before, June 1, 2021. Managed care plans must ensure that providers expend all funds received as a result of the enhanced rates for the rate enhancement period between July 1, 2022, and June 30, 2023, by September 30, 2023. Managed care plans must ensure that providers expend all funds received as a result of the enhanced rates for the rate enhancement period between July 1, 2023, and December 31, 2023, by March 31, 2024.

Provider Spending Report and Attestation

Managed care plans must ensure that, following the payment of the rate increases, providers complete and submit an attestation assuring EOHHS that they will use at least 90% of the enhanced funds for HCBS and behavioral health workforce development. This could include hiring and retention bonuses and other categories of worker compensation as a condition of receipt of the enhanced funding. Additionally, plans must require providers that receive enhanced funds to submit a spending report to EOHHS accounting for how the enhanced funds were used. Attestations and reporting will be aggregated across all lines of payment (i.e., MassHealth fee-for-service, MassHealth managed care, and state agencies) such that a provider should submit only one attestation and aggregate payment in the required spending reports. Providers should retain a copy of their submissions in their records.

EOHHS created an online spending report tool for providers to submit required information available at [MassGrants](#). The spending report tool also includes an attestation form. EOHHS guidance about the provider attestation and spending report requirements is available at www.mass.gov/info-details/strengthening-home-and-community-based-services-and-behavioral-health-services-using-american-rescue-plan-arp-funding. Managed care plans should encourage their providers to check this site regularly for updated information. Managed care plans will be informed of submitted attestations and spending plans.

Spending reports and attestations required by this bulletin and MCE bulletin 91 will be due December 31, 2023, for the rate enhancement period between July 1, 2022, and June 30, 2023. Spending reports and attestations required by this bulletin will be due June 30, 2024, for the rate enhancement period between July 1, 2023, and December 31, 2023.

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Rate Enhancement Period	Funds Expended by	Spending Report Deadline
July 1, 2022–June 30, 2023	September 30, 2023	December 31, 2023
July 1, 2023–December 31, 2023	March 31, 2024	June 30, 2024

Multiple Businesses

EOHHS recognizes that some providers deliver certain HCBS and behavioral health services through separate businesses. Managed care plans must ensure that providers in this situation submit one attestation and one spending report per employer identification number (EIN) or tax identification number (TIN).

For example, a provider operates one business for its behavioral health services, and another business for home health aide services. The two businesses have two separate EINs. In this case, the provider must submit two attestations and two spending reports—one attestation and spending report for its behavioral health business, and a second attestation and spending report for its home health aide business.

Failure to Comply with Requirements

Managed care plans must inform their providers that failure to comply with the attestation and spending plan requirement may subject the provider to financial penalty.

Temporary Rate Increases by Service

HCBS and Behavioral Health Services

MassHealth is directing managed care plans to increase payment rates temporarily to providers of the services specified in Tables 1 and 2, which follow. The rate increases apply to services delivered in-person and via telehealth, as applicable. The managed care plan must apply the percentage increases indicated in the table to the plan's contracted rates with providers as of June 30, 2021, unless otherwise specified. Plans must apply the rate increases regardless of whether their contracted rates are the same as the MassHealth fee-for-service rates. For any service already subject to a directed payment requirement, the managed care plan must apply the listed rate increases to the directed payment amount stated in the managed care plan's contract.

Behavioral Health Services

Managed care plans must implement the temporary rate increases for certain behavioral health services specified in the Table 2.

- For residential rehabilitation services (RRS), acute treatment services (ATS), clinical stabilization services (CSS), Program of Assertive Community Treatment (PACT), 60-minute psychotherapy codes, and psychiatric day treatment (behavioral health day treatment), apply the percentage increases to contracted rates effective July 1, 2021.
- For dates of service on or after February 1, 2022, for behavioral health urgent care (BHUC), apply the percentage increases to contracted rates effective February 1, 2022. The percentage increase will be in addition to the BHUC directed payment stated in managed care plan contracts.

HCBS Temporary Rate Increases by Service

Managed care plans must increase rates as stated in Table 1 for dates of service on or after January 1, 2023, through June 30, 2023.

Table 1

Covered Service	Increase	ACPP/ MCO	MBHP
Independent Nurses/Continuous Skilled Nursing Services Provided to Special Kids Special Care Enrollees	10%	X	
Home Health Services	10%	X	

Please refer to Appendix A for additional details.

Behavioral Health Rate Increases by Service

Managed care plans must increase rates by 10% for the services stated in Table 2 for dates of service on or after January 1, 2023, through June 30, 2023, except as noted.

Table 2

Covered Service	Covered Period	ACPP/MCO	MBHP
Acute Treatment Services (ATS) for Substance Use Disorders and Clinical Stabilization Services for Substance Use Disorders (including Individualized Treatment Services)	January 1, 2023– June 30, 2023	X	X
Community-Based Acute Treatment for Children and Adolescents (CBAT)	January 1, 2023 June 30, 2023	X	X
Community Support Program (CSP), including CSP for Chronically Homeless Individuals (CSP-CHI) and CSP-Social Impact Funding (SIF)	January 1, 2023– March 31, 2023	X	X
Intensive Outpatient Program (IOP)	January 1, 2023– December 31, 2023	X	X
Outpatient Mental Health Services: <ul style="list-style-type: none"> Psychological Testing (including Psychological Neuropsychological Testing) Special Education Psychological Testing 	January 1, 2023– June 30, 2023	X	X
Partial Hospitalization (PHP)	January 1, 2023– December 31, 2023	X	X
Program of Assertive Community Treatment (PACT)	January 1, 2023– June 30, 2023	X	X
Psychiatric Day Treatment (Behavioral Health Day Treatment)	January 1, 2023– December 31, 2023	X	X
Residential Rehabilitation Services for Substance Use Disorders (RRS) – including Adult, Transitional Age Youth and Young Adult Residential, Youth Residential, and Pregnancy-Enhanced Residential.	January 1, 2023– June 30, 2023	X	X
Excluding Co-occurring Enhanced RRS			
Structured Outpatient Addiction Program (SOAP)	January 1, 2023– June 30, 2023	X	X
Transitional Care Unit (TCU)	January 1, 2023– December 31, 2023	X	X

Please refer to Appendix B for additional details.

Additional Requirements for Temporary Rate Increases for HCBS and Behavioral Health Services

If a managed care plan has sub-capitated or Alternative Payment Methodology (APM) arrangements with providers, the sub-capitated or APM payments to providers should be increased by the equivalent of the rate increases that would be required for fee-for-service payments.

Plans will not subject the required rate increases to any withhold arrangement with providers; the plans will ensure that providers receive the full rate increases in payments made for the services listed in the Tables 1 and 2. MassHealth will amend the plans' contracts to reflect these rate increase requirements in the coming weeks.

Managed care plans must pay the increased rate for services delivered on or after the rate increase effective date in the table, including claims submitted before the effective date of this bulletin. Claims paid before the effective date of this bulletin must be reprocessed as appropriate no later than 60 days after the release of this bulletin. Rate increases begin January 1, 2023, and are effective through June 30, 2023, except as noted in the table.

All encounter file claim paid amounts with dates of service from the rate increase effective date through June 30, 2023, must reflect that the specified rate increases were paid by plans to eligible providers no later than July 31, 2023. For services with rate increases effective through December 31, 2023, all encounter file claim paid amounts with dates of service from July 1, 2023, through December 31, 2023, must reflect that the specified rate increases were paid by plans to eligible providers no later than January 31, 2024.

Managed care plans must certify compliance with the rate increase requirements described in this bulletin on a monthly basis in a form and format specified by MassHealth. Such certification must include certification that the plan has made timely payments to only eligible providers, which include these required increases, with no offsets to provider payments through withholds, sub-capitated payment arrangements, or other APMs. Managed care entities will be informed of provider attestations, but providers must not be required to submit spending reports and attestations before receiving the rate increases.

MassHealth Website

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

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Questions

If you have any questions about the information in this bulletin, please contact the MassHealth Customer Service Center at (800) 841-2900, TDD/TTY: 711, or email your inquiry to provider@masshealthquestions.com.

Appendix A: HCBS

As stated, managed care plans must increase their rates for HCBS services and should refer to the following MassHealth provider manual Subchapter 6's for additional detail on applicable codes for each service.

- www.mass.gov/doc/independent-nurse-in-subchapter-6-o/download
- www.mass.gov/doc/home-health-agency-hha-subchapter-6/download
- www.mass.gov/doc/continuous-skilled-nursing-agency-csn-subchapter-6-o/download

Appendix B: Behavioral Health Services

Managed care plans must increase their rates for the services included in Table 2 that are stated in Appendix T of the 4th Amended and Restated ACPP and MCO contracts (for dates of service January 1, 2023–March 31, 2023), Appendix O of the ACPP and 5th Amended and Restated MCO contracts (for dates of service April 1, 2023–December 31, 2023), and Appendix L of the Behavioral Health Vendor Contract (for dates of service January 1, 2023 – December 31, 2023).

Plans must additionally increase rates for the following services.

TCU – transitional care unit (Rev codes 0100, 0114, 0124, 0134, 0144, 0154), IOP – intensive outpatient psychiatric (Rev Code 0905, 0906, CPT 90834), PACT – Program of Assertive Community Treatment (H0040, ATS H0011 or rev code 1002 for MBHP), RRS (H0019, H0019-HH, H0019-HR, H0019-HA, H0019-HF, H0019-TH), CSS (H0010 or rev code 907 for MBHP), CSP for Chronically Homeless Individuals (CSP-CHI) (H2016-HK), CSP-Social Impact Financing (CSP-SIF) (H2016-SE)