



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

MassHealth
Managed Care Entity Bulletin 38
August 2020

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

FROM: Amanda Cassel Kraft, Acting Medicaid Director

RE: Limited Modification and Extension of Temporary Incremental Rate Increase for Inpatient Mental Health Services in Response to COVID-19 Pandemic

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. MassHealth partners with a wide variety of service providers, including vital safety net providers, in order to offer its members access.

As described in greater detail in Managed Care Entity Bulletin 33, in light of the 2019 novel Coronavirus (COVID-19) outbreak, and to address the increased costs associated with the COVID-19 response, on May 28, 2020, MassHealth directed rate increases to Department of Mental Health (DMH)-licensed inpatient psychiatric facilities meeting specific eligibility criteria. Through this bulletin, MassHealth is directing managed care organizations (MCOs), accountable care partnership plans (ACPPs), and the MassHealth behavioral health vendor (referred to here collectively as "managed care plans") to modify and extend the temporary rate increases for facilities designated as Tier 2 by the Department of Mental Health (DMH) as set forth in this bulletin. For the avoidance of doubt, MassHealth will not direct rate increases for facilities designated as Tier 1 by DMH—managed care plans may revert to the plan's current contracted rate, effective August 1, 2020.

This bulletin does not apply to One Care plans or senior care organizations (SCOs).

Modification and Extension of Temporary Incremental Rate Increase for Inpatient Mental Health and Administratively Necessary Day Services for Tier 2 Facilities

Managed care plans shall temporarily increase payment rates to DMH-licensed psychiatric hospitals and all units with DMH licensed beds within applicable acute inpatient hospitals (AIHs) who have received Tier 2 designation by DMH, as described in this bulletin, for inpatient mental health and administratively necessary day services. The managed care plan must apply the absolute increase indicated below to the plan's current contracted rates with eligible providers, regardless of whether those rates are the same as MassHealth's fee-for-service rates.

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.

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Managed care plans may not subject the required rate increases to any withhold arrangement with providers; the plans must ensure that providers receive the full rate increases listed in the table that follows. MassHealth will amend the plans' contracts to reflect these rate increase requirements.

MassHealth will notify the plans of the hospitals (or units within applicable AIHs in the case of such hospitals with multiple units containing DMH-licensed beds) that have been designated by DMH as Tier 2 facilities and that have met other conditions of payment as outlined by MassHealth. As directed by MassHealth, managed care plans must increase the plans' inpatient mental health services per diem rates to as follows.

Tier	Temporary incremental increase for inpatient mental health and administratively necessary day services (per diem)
Tier 2	\$94 above current contracted inpatient mental health per diem and administratively necessary day rates

Effective Date for Temporary Incremental Rate Increase

All temporary incremental rate increases described in this bulletin will be effective for dates of service from August 1, 2020, through October 31, 2020. The rate for inpatient services and administratively necessary days for facilities designated as Tier 2 by DMH may revert to the plan's current contracted rate on November 1, 2020.

Additional Requirements for Temporary Rate Increases

Managed care plans must pay the increased rate for services delivered on or after August 1, 2020. All rate increases are effective through October 31, 2020.

Managed care plans shall reflect the specified rate increases described in this bulletin in all encounter file claim paid amounts. Managed care plans shall provide reporting on spend attributed to the rate increase requirements described in this bulletin in a form and format specified by MassHealth.

Managed care plans shall recoup payments made under this bulletin from network hospitals that are found to be out of compliance with the DMH Infection Control Competencies/Standards for Tier 1 or Tier 2 facilities or with other applicable DMH or MassHealth requirements.

MassHealth Website

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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, email your inquiry to providersupport@mahealth.net, or fax your inquiry to (617) 988-8974.