

NOTICE OF FINAL AGENCY ACTION

SUBJECT: MassHealth: Amended Payment for Privately Owned Psychiatric Hospital Services RY21

AGENCY: Massachusetts Executive Office of Health and Human Services

SUMMARY OF FINAL ACTION

Pursuant to the provisions of M.G.L. c. 118E, §13A, rates and terms of payment for services rendered by psychiatric hospitals to patients entitled to medical assistance under M.G.L. c. 118E, §1 *et seq.* are established by contract between the MassHealth Program and participating hospitals. This notice describes methods and standards for the establishment of rates of payment by contract during the RY21 contract period, between the Executive Office of Health and Human Services (EOHHS) and participating privately owned psychiatric hospitals licensed by the Department of Mental Health (DMH). The contract does not cover services provided to patients enrolled with the MassHealth Primary Care Clinician Plan's behavioral health contractor, or with other MassHealth-contracted managed care entities.

DESCRIPTION OF FINAL AMENDED METHODS AND STANDARDS

MassHealth proposes to pay privately owned psychiatric hospitals (1) a hospital-specific supplemental inpatient payment for hospitals accepting COVID-Positive Patients, and (2) a hospital-specific supplemental payment for hospitals with temporary dedicated COVID units admitting COVID-Positive MassHealth members. These payments are further described herein. The proposed methods and standards described herein are projected to result in a 1.8% increase in annual aggregate expenditures in Rate Year 2021 (RY 2021). The actual change in aggregate expenditures is estimated to be \$1,100,000; however, it may vary depending on actual utilization of services. Of the estimated increase in aggregate expenditures of \$1,100,000, the supplemental inpatient payment for hospitals accepting COVID-Positive patients portion of the estimated increase is \$300,000, and the supplemental payment for hospitals with temporary dedicated COVID units admitting COVID-Positive MassHealth members \$800,000.

JUSTIFICATION

All changes to hospital payment rates and methods described below are in accordance with state and federal law and are within the range of reasonable payment levels to privately owned psychiatric hospitals.

Except as specified in this notice, the MassHealth privately owned psychiatric hospital payment methods for RY2021 are otherwise unchanged from those set forth in the Notice of Final Agency Action for RY21. The Notice of Final Agency Action for RY21 is available under the heading "Psychiatric Hospital Rate Year 2021 Notices" page of the MassHealth website at <https://www.mass.gov/lists/special-notice-for-psychiatric-hospitals>.

For further information, or to comment regarding the amended RY2021 payment methods, you may contact:

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STATUTORY AUTHORITY:
M.G.L. c. 118E; 42 USC 1396 *et seq.*

Related Regulations:

**EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
PSYCHIATRIC HOSPITAL SERVICES
PROPOSED AMENDED METHODS AND STANDARDS
FOR RATES EFFECTIVE DURING RY21**

The following sections describe the amended methods and standards to be utilized by the Executive Office of Health and Human Services (EOHHS) to establish rates of payment by contract, to be effective during the RY21 contract period, to privately owned psychiatric hospitals licensed by DMH.

DESCRIPTION OF AMENDED METHODS AND STANDARDS

Supplemental Inpatient for Hospitals Accepting COVID-Positive Patients

Psychiatric hospitals may qualify for supplemental payments for hospitals accepting COVID-Positive Patients. These supplemental payments will be determined using the following methodology:

1. Eligibility. Eligibility to receive the supplemental payment is determined based on the hospital demonstrating that it has been designated as a Tier 1 or a Tier 2 facility in accordance with DMH Bulletin #20-05R. Each hospital agrees to comply with DMH requirements, provide periodic reports, and meet specified admission requirements relative to COVID-positive patients. Tier 1 hospitals must also demonstrate additional admission requirements, and demonstrate inability to transfer the Member to a Tier 2 hospital.
2. Payment. Payment to psychiatric hospitals is made for each date of inpatient services or Administratively Necessary Days (AND), during the prescribed period, that the hospital provided services to MassHealth members who are COVID-Positive upon admission, subject to the eligibility requirements. The supplemental payment shall be for \$941 for each date of service that a qualifying COVID-Positive MassHealth member receives inpatient or AND services, for a maximum of 14-days per eligible member, inclusive of both inpatient and AND stays. Each figure shall be determined by EOHHS.

Supplemental Payment for Hospitals with Temporary Dedicated COVID Units Admitting COVID-Positive MassHealth Members

Psychiatric hospitals with temporary dedicated COVID units that admit COVID-Positive MassHealth members may qualify for supplemental payments. These supplemental payments will be determined using the following methodology:

1. Eligibility. Eligibility to receive the supplemental payment is determined based on the hospital demonstrating that it has a DMH-Approved Dedicated COVID Unit within the hospital, agreeing to comply with DMH requirements and admission and transfer restrictions, and requirements relative to the admission of MassHealth members. Each hospital must also comply with periodic reporting requirements.
2. Payment. Payment to psychiatric hospitals is made by multiplying \$300 by the number of days that the Hospital operated a DMH-Approved Dedicated COVID Unit by the number of beds in that DMH-Approved Dedicated COVID Unit, with each figure as determined by EOHHS.

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