

## NOTICE OF FINAL AGENCY ACTION

**SUBJECT:** MassHealth: Amended Payments for MassHealth Substance Abuse Treatment Hospital Services RY23, Effective April 1, 2023

**AGENCY:** Massachusetts Executive Office of Health and Human Services

### SUMMARY OF AGENCY ACTION

Under the provisions of M.G.L. c. 118E, §13A, rates and terms of payment for services rendered by substance abuse treatment hospitals licensed by the Department of Public Health to patients eligible for medical assistance under M.G.L. c. 118E, §1 *et seq.* are established by contract between MassHealth and participating hospitals. This notice describes amended methods and standards for payment by contract during the RY23 contract period, effective April 1, 2023, between the Executive Office of Health and Human Services (EOHHS) and participating substance abuse treatment hospitals licensed by the Department of Public Health (DPH). 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. There is currently one facility that meets these criteria, AdCare Substance Abuse Hospital.

### DESCRIPTION OF AMENDED METHODS AND STANDARDS

MassHealth pays substance abuse treatment hospitals a hospital-specific, clinical quality-based incentive payment. The methods and standards are projected to result in a maximum 19.7% increase in annual aggregate expenditures in Rate Year 2023 (RY 2023). The actual change in aggregate expenditures is estimated to be a maximum \$100,000; however, it may vary depending on quality performance.

### 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 substance abuse treatment hospitals.

Except as specified in this notice, the MassHealth substance abuse treatment hospital payment methods for RY2023 are otherwise unchanged from those in the Notice of Final Agency Action for RY23. The Notice of Final Agency Action for RY23 is available under the heading "Substance Abuse Treatment Hospital Rate Year 2023 Notices" page of the MassHealth website at <https://www.mass.gov/lists/special-notice-for-substance-abuse-treatment-hospitals>.

To request copies of written comments received regarding RY2023 payment methods and rates, contact:

Tracey Nicolosi  
MassHealth Office of Behavioral Health  
1 Ashburton Place, 11th floor  
Boston, MA 02108  
Or by email: [Tracey.Nicolosi@mass.gov](mailto:Tracey.Nicolosi@mass.gov)

### Statutory Authority

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

Related Regulations:  
42 CFR Part 447

**EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES  
SUBSTANCE ABUSE TREATMENT HOSPITAL SERVICES  
FINAL AMENDED METHODS AND STANDARDS  
FOR RATES EFFECTIVE DURING RY23**

The following section describes the amended methods and standards to be utilized by EOHHS to establish rates of payment by contract, to be effective during the RY23 contract period, to substance abuse treatment hospitals licensed by DPH.

**DESCRIPTION OF AMENDED METHODS AND STANDARDS**

**Clinical Quality Incentive Payment**

Substance abuse treatment hospitals may qualify for clinical quality-based incentive payments. Clinical quality incentive payments will be determined using the following factors:

1. **Benchmarks:** Benchmarks for substance abuse treatment hospitals are calculated using Northeast Regional HEDIS data for Medicaid recipients to establish a threshold benchmark, a goal benchmark, and an improvement benchmark calculation.  
**Hospital Achievement:** Performance achievement will be determined by the difference between an individual substance abuse treatment hospital's CY23 performance and its CY22 performance using claims-extracted data for the performance measure. The performance measure for RY23 is Follow-up After High-Intensity Care for Substance Use Disorder (FUI 7 and FUI 30)
2. **Performance Measurement:** Performance for substance abuse treatment hospitals is measured by comparing the substance abuse treatment hospital's achievement to the benchmarks for the measure as follows:
  - a. Attainment Target: Attainment points (maximum 9) will be awarded for performance achievement of at least the threshold benchmark and less than the goal benchmark on a performance measure. The threshold benchmark attainment points awarded will be proportional to performance achievement. Attainment points (10) will be awarded for performance achievement above the goal benchmark on a performance measure. The maximum number of attainment points available to a substance abuse treatment hospital for RY23 is 10.
  - b. Improvement Target: Improvement points (5) will be awarded for performance achievement demonstrating improvement relative to the improvement threshold for each performance measure. The maximum number of improvement points available to a substance abuse treatment hospital for RY23 is 5. Improvement points may be awarded whether or not the substance abuse treatment hospital attains the threshold or goal benchmarks.
3. **Quality Scoring:** The quality score will be determined by adding the number of points awarded to the substance abuse treatment hospital for attainment and improvement, divided by the maximum number of attainment points (10 points). The resulting quality score represents a ratio value between 0 and 1.00 (inclusive of 0 and 1.00). In cases where the quality score is calculated and yields a score greater than 1.00, the quality score value is capped at 1.00.
4. **Payment:** The maximum amount of payment will be determined by multiplying the substance abuse treatment hospital's overall quality score (0-1.00) to determine the actual amount of payment by \$50,000.

POSTED: March 31, 2023