

Notice of Final Agency Action

SUBJECT: MassHealth: Payment for In-State Acute Hospital Services, effective January 27, 2021

AGENCY: Massachusetts Executive Office of Health and Human Services (EOHHS), Office of Medicaid

EOHHS is revising the Rate Year 2021 acute inpatient and outpatient hospital payment methods, as described in the Rate Year 2021 Notice of Final Agency Action, published on or about October 31, 2020 (the “Final RY21 Notice”), as modified by the Rate Year 2021 Notice of Final Agency Action, published on or about January 15, 2021 (the “January 15 Notice,” and, collectively with the Final RY21 Notice, the “Amended Final RY21 Notice”). Specifically, these revisions:

- Modify the existing Expansion of Inpatient Behavioral Health Capacity Supplemental Payment by:
 - Modifying the definition of “MassHealth Payer-Mix” (1) so that it is calculated based on the ratio of dates of service rather than dates of service, and (2) to include Administrative Days;
 - Applying the requirement for maintaining a 20% payer-mix in Rate Years 2022, 2023, and 2024 in the Department of Mental Health (DMH)-Licensed Beds added by the hospital pursuant to this supplemental payment; and
 - Adding a requirement that, if the hospital is part of a system of Hospitals, all DMH-licensed units within such system, and all other psychiatric inpatient hospitals within such system, in the aggregate, maintain a MassHealth Payer Mix in each of Rate Years 2022 through 2024 that is no less than its MassHealth Payer Mix in Fiscal Year 2019, excluding from this calculation any bed increases pursuant to the supplemental payment.
- Add a new supplemental payment for hospitals that accept COVID-positive patients receiving Behavioral Health (BH) services, or services categorized as post-BH Administrative Days. To be eligible to receive payment, a hospital must:
 - Demonstrate that each of its units with one or more DMH-licensed beds has been designated as either a Tier 1 or a Tier 2 facility by DMH, in accordance with DMH Bulletin #20-05R; and
 - Agree to comply with DMH requirements, provide periodic reports, and meet specified admission requirements relative to COVID-positive patients.
 - Admit at least one member after October 31, 2020, and prior to the day that is thirty days following the expiration of the Governor’s March 10,

2020, Declaration of a State of Emergency within the Commonwealth due to the COVID-19 pandemic who satisfies each of the following criteria:

- The Hospital admits the member into a DMH-Licensed Bed for the primary purpose of rendering inpatient BH services;
 - The member is confirmed to have been positive for SARS-CoV-2 at the time of admission to the DMH-Licensed Bed based on a SARS-CoV-2 Molecular Diagnostic test or an FDA-approved rapid antigen test administered before admission or within 96 hours after admission; and
 - The member is not suspected to have become COVID-positive from exposure occurring within the admitting hospital or from interactions with any member of the hospital's staff or other currently COVID-positive patients at the hospital.
- In the event that it is designated Tier 1 by DMH, demonstrate that it satisfies each of the preceding eligibility criteria, except that, for each member admitted to the hospital:
- the member's test results were negative or pending upon admission;
 - the member's test results later come back as positive or the member is given another SARS-CoV-2 Molecular Diagnostic test or an FDA-approved rapid antigen test within 96 hours of admission which comes back as positive; and
 - the hospital was unable to transfer the member to a hospital designated by DMH as Tier 2.
- Payment will be \$941 per day of service, capped at 14 days per member stay, between November 1, 2020, and the day that is 30 days after the end of the Governor's Declaration of a state of emergency.
- Adds a new supplemental payment for hospitals operating DMH-approved temporary dedicated COVID units for BH patients. Payment will be \$300 per day for each bed within such unit, for each period beginning on or after January 1, 2021, effective through February 28, 2021. Hospitals receiving such payments must agree 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.
 - Add a new supplemental payment implementing section 63 of chapter 260 of the Acts of 2020, using the eligibility criteria and reimbursement methodology set forth in that legislation.

All changes to the hospital payment methods described in this notice are in accordance with state and federal law and are within the range of reasonable payment levels to acute hospitals.

EOHHS estimates that annual aggregate expenditures for MassHealth state plan acute hospital services will increase by approximately \$25.0 million as a result of these changes.

Other than as set forth in this Notice, the RY21 acute inpatient and outpatient hospital payment methods described in the Amended Final RY21 Notice remain unchanged. The Final RY21 Notice and the January 15 Notice are available under the heading “Acute Hospital Rate Year 2021 Notices” on the “Special Notices for Acute Hospitals” page of the MassHealth website at <https://www.mass.gov/service-details/special-notices-for-acute-hospitals>. For further information, you may also contact Steven Sauter at the Executive Office of Health and Human Services, MassHealth Office of Providers and Pharmacy Programs, 100 Hancock Street, 6th Floor, Quincy, MA 02171 or at steven.sauter@state.ma.us.

Statutory Authority: M.G.L. c. 118E; St. 2020, c. 227; St. 2020, c. 260; St. 2012, c. 224; 42 USC 1396a; 42 USC 1396b.

Related Regulations: 130 CMR 410, 415, 450; 42 CFR Parts 431 and 447.

Posted: February 11, 2021