

NOTICE OF PROPOSED AGENCY ACTION

SUBJECT: MassHealth: Amended Payments for Privately Owned Psychiatric Hospital Services RY23, Effective February 8, 2023

AGENCY: Massachusetts Executive Office of Health and Human Services

SUMMARY OF PROPOSED 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 MassHealth and participating hospitals. This notice describes amended methods and standards for payment by contract during the RY23 contract period, effective February 8, 2023, 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 PROPOSED AMENDED METHODS AND STANDARDS

MassHealth proposes to pay privately owned psychiatric hospitals a hospital-specific supplemental payment for hospitals with temporary dedicated COVID units admitting COVID-positive MassHealth members. The proposed methods and standards are projected to result in a 4.2% increase in annual aggregate expenditures in Rate Year 2023 (RY 2023). The actual change in aggregate expenditures is estimated to be \$1,500,000; however, it may vary depending on actual utilization of services.

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 RY2023 are otherwise unchanged from those set forth in the Notice of Final Agency Action for RY23. The Notice of Final Agency Action for RY23 is available under the heading "Psychiatric Hospital Rate Year 2023 Notices" page of the MassHealth website at <https://www.mass.gov/lists/special-notices-for-psychiatric-hospitals>.

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

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Or by email: Ashby.S.Gaines@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
PSYCHIATRIC HOSPITAL SERVICES
PROPOSED 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 privately owned psychiatric hospitals licensed by DMH.

DESCRIPTION OF AMENDED METHODS AND STANDARDS

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 \$730 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.

POSTED: January 27, 2023