

Notice of Proposed Agency Action

SUBJECT: MassHealth: Payment for In-State Acute Hospital Services, Effective August 6, 2026

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

EOHHS hereby announces that it is making changes to the rate year 2026 (RY26) acute inpatient and outpatient hospital payment methods, as described in the RY26 Notice of Final Agency Action published on or around September 24, 2025 (RY26 Notice), the RY26 Notice of Final Agency Action published on or around December 27, 2025 (RY26 Amendment 1 Notice), and the RY26 Notice of Final Agency Action published on or around June 30, 2026 (RY26 Amendment 2 Notice) (collectively, the RY26 Notices).

Specifically, EOHHS is implementing the following changes, effective August 6, 2026:

- reinstating and updating components of the Targeted Supplemental Payment in Section 5.D.21 of the RY26 RFA, for a fiscal impact of \$32 million;
- updating the Supplemental Payment for Continuity of Access of High Public Payer Acute Hospitals in Section 5.D.11 of the RY26 RFA, for a fiscal impact of \$14 million;
- updating the Inpatient Discharge Add-on and the Outpatient Episode Add-on payment in Section 5.D.12 of the RY26 RFA, for a fiscal impact of \$88 million; and
- updating the Inpatient Psychiatric Supplemental Payment in Section 5.D.26 of the RY26 RFA, for a fiscal impact of \$3 million.

These changes in payment methodologies are in addition to any payment that the qualifying in-state acute hospitals may receive for services rendered to MassHealth members under the acute inpatient and outpatient payment methods described in the RY26 Notices.

EOHHS estimates that aggregate expenditures for MassHealth state plan acute inpatient and outpatient hospital services will increase \$137 million in RY26 as a result of these changes.

All changes to 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.

Except for the changes in this notice, the RY26 acute inpatient and outpatient hospital payment methods described in the RY26 Notice remain unchanged. The RY26 Notice is under the heading “[Federal Fiscal Year 2026 Notices](#)” on the “Special Notices for Acute Hospitals” page on the MassHealth website: www.mass.gov/lists/special-notices-for-acute-hospitals#federal-fiscal-year-2026-notices.

For further information, or to provide written comments regarding this action, contact Jin Pantano at EOHHS, MassHealth Office of Providers and Pharmacy Programs, 100 Hancock

Street, 6th Fl., Quincy, MA 02171 or AcuteHospitalRFA@mass.gov. EOHHS specifically invites comments about the proposed action's effect on member access to care.

Statutory Authority: M.G.L. c. 118E; St. 2025, c. 9; St. 2012, c. 224; 42 USC 1396a; 42 USC 1396b.

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

Posted: July 30, 2026