

Notice of Proposed Agency Action

SUBJECT: MassHealth: Payment for In-State Acute Hospital Services, Effective December 27, 2025

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

EOHHS hereby announces that it will apply new payment methods to in-state acute inpatient and outpatient hospitals and is making technical changes to the rate year 2026 acute inpatient and outpatient hospital payment methods, as described in the rate year 2026 Notice of Final Agency Action published on or around September 24, 2025 (RY26 Notice).

Specifically, EOHHS is implementing the following changes, proposed to be effective December 27, 2025.

- Reducing the MassHealth Targeted Hospital Supplemental Payment by \$10,000,000
- Updating the measure specifications for the Clinical Quality Incentive Program
- Updating the greenhouse gas reporting requirements
- Making technical corrections to relevant dates

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 Notice.

EOHHS estimates that annual aggregate expenditures for MassHealth state plan acute hospital services will decrease by \$10,000,000 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: mass.gov/lists/special-notices-for-acute-hospitals#federal-fiscal-year-2026-notices-.

For further information, or to provide written comments on 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: December 18, 2025