

## **Notice of Proposed Agency Action**

**SUBJECT:** MassHealth: Payment for In-State Acute Hospital Services, Effective May 15, 2024

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

EOHHS hereby announces that it will apply new payment methods to acute inpatient hospitals and is making technical changes to the rate year 2024 acute inpatient hospital payment methods, as described in the rate year 2024 Notice of Final Agency Action published on or around September 30, 2023 (RY24 Notice); the rate year 2024 Notice of Final Agency Action published on or around December 29, 2023 (RY24 Amendment 1 Notice); and the rate year 2024 Notice of Final Agency Action published on or around March 29, 2024 (RY24 Amendment 2 Notice) (collectively, the RY24 Notices).

Specifically, EOHHS is implementing the following updates to the payment methods for acute inpatient hospitals in the state, proposed to be effective May 15, 2024:

1. establishing a payment methodology for certain long-acting injectable antipsychotic pharmaceuticals covered by MassHealth, to be paid to acute inpatient hospitals in addition to the psychiatric per diem rate; and
2. making technical edits to the Adjudicated Payment Amount Per Discharge (APAD) payment methodology for certain pediatric discharges.

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 hospital payment methods described in the RY24 Notices.

EOHHS estimates that annual aggregate expenditures for MassHealth state plan acute inpatient hospital services will increase by \$106,000 as a result of these changes. This amount is attributable to item 1 above. There is no fiscal impact attributable to item 2.

All changes to acute inpatient 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 inpatient hospitals.

Except for the changes in this notice, the RY24 acute inpatient and outpatient hospital payment methods described in the RY24 Notice remain unchanged. The RY24 Notice is under the heading “Federal Fiscal Year 2024 Notices” on the “Special Notices for Acute Hospitals” page on the MassHealth website at [www.mass.gov/service-details/special-notices-for-acute-hospitals](http://www.mass.gov/service-details/special-notices-for-acute-hospitals).

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](mailto: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. 2023, c. 28; St. 2012, c. 224; 42 USC 1396a; 42 USC 1396b.

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

Posted: April 26, 2024