

Notice of Proposed Agency Action

SUBJECT: MassHealth: Payment for In-State Acute Hospital Services, Effective September 24, 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 in-state acute inpatient and outpatient hospitals and is making technical changes to the rate year 2024 acute inpatient and outpatient 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), the rate year 2024 Notice of Final Agency Action published on or around May 8, 2024 (RY24 Amendment 3 Notice), and the rate year 2024 Notice of Final Agency Action published on or around September 5, 2024 (RY24 Amendment 4 Notice) (collectively, the RY24 Notices).

Specifically, EOHHS is implementing the following updates to the payment methods for acute hospitals, which will be effective September 24, 2024.

1. Implementing an increase in two supplemental payments, the High Medicaid Volume Safety Net HLHC Supplemental Payment and the MassHealth Targeted Hospital Supplemental Payments;
2. Implementing a new supplemental payment, the High Medicaid Volume Safety Net Continuation of Access Supplemental Payment;
3. Making technical edits to the Health Quality and Equity Incentive Program (HQEIP); and
4. Making technical edits to the Clinical Quality Incentive (CQI) program.

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 RY24 Notices.

EOHHS estimates that annual aggregate expenditures for MassHealth state plan acute hospital services will increase by \$334,000,000 as a result of these changes, with \$182,000,000 attributable to item 1, above, and \$152,000,000 attributable to item 2, above. There is no fiscal impact attributable to item 3 or 4, above.

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 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: <https://www.mass.gov/service-details/special-notice-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. 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: September 13, 2024