

## NOTICE OF PROPOSED AGENCY ACTION

SUBJECT: MassHealth: Payment for Nursing Facility Services effective October 1, 2017

AGENCY: Massachusetts Executive Office of Health and Human Services

### **101 CMR 206.00: STANDARD PAYMENTS TO NURSING FACILITIES**

The following describes and summarizes the proposed changes to MassHealth payments for nursing facility services described in 101 CMR 206.00. The proposed amendments update nursing facility payments effective October 1, 2017. The proposed amendments implement M.G.L. c. 118E, s. 13D and Section 2, Line Item 4000-0641 of Chapter 47 of the Acts of 2017 (the FY2018 state budget), which authorizes expenditures of \$35.5 million for payments related to direct care staff. The proposed amendments also update the data used in the user fee add-on calculation. The proposed amendments also revise the large Medicaid provider add-on provisions to use more current data and to revise eligibility criteria.

#### **Goals, Objectives, and Justification of the Proposed Methodology**

For the period between October 1, 2017, and September 30, 2018, and relative to the rates in effect on July 1, 2017, the proposed amendments will increase the user fee add-on by \$0.07 per day for group 1 facilities for a total user fee add-on of \$17.66 per day, and \$0.01 per day for group 2 and 3 for a total user fee add-on of \$1.77 per day, with an additional one-time add-on of \$0.02 per day for group 1 facilities to account for the difference between the user fee add-on included in the July 1, 2017, through September 30, 2017, rates and the revised add-ons effective October 1, 2017.

The proposed amendments also revise the methodology for payments related to direct care staff payments. Specifically, in order to assist providers with budgeting and to simplify the administration of the payment, the proposed amendments provide for periodic lump sum payments to providers for direct care staff. Actual payments will vary by facility, but facility-specific payment totals are anticipated to range from approximately \$2,740 to \$286,429.

The proposed amendments also update eligibility criteria for the large Medicaid provider add-on payment to consider more current data, and to include the Centers for Medicare and Medicaid Services (CMS) Nursing Home Compare 5-Star Quality Rating Tool as a quality measure.

EOHHS anticipates that the proposed regulation will become effective for dates of service beginning October 1, 2017. EOHHS expects that the proposed amendments to increase annual aggregate MassHealth expenditures by \$13,026 as compared to FY2017 funding levels due to rounding of the large Medicaid provider and user fee add-ons and updates to the large Medicaid provider add-on eligibility criteria.

EOHHS is making these changes, subject to federal approval, to implement the provisions of the FY2018 state budget, and to ensure that payments are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated facilities.

Copies of the amended regulation and rates are available at EOHHS or may be viewed at EOHHS's website at [www.mass.gov/ehs/gov/laws-regs/hhs/hospitals-nursing-homes-and-rest-homes.html#114\\_2\\_6](http://www.mass.gov/ehs/gov/laws-regs/hhs/hospitals-nursing-homes-and-rest-homes.html#114_2_6). Individuals may submit written comments by e-mailing [ehs-](mailto:ehs-)

[regulations@state.ma.us](mailto:regulations@state.ma.us) Please submit electronic comments as an attached Word document or as text within the body of the e-mail with the name of the regulation in the subject line. All submissions must include the sender's full name and address. Individuals who are unable to submit comments by e-mail should mail written comments to EOHHS, c/o D. Briggs, 100 Hancock Street, 6<sup>th</sup> Floor, Quincy, MA 02171. EOHHS specifically invites comments as to how the amendments may impact beneficiary access to care.