

NOTICE OF PROPOSED AGENCY ACTION

SUBJECT: MassHealth: Payment for Pediatric Chronic Disease and Rehabilitation Hospitals, effective December 15, 2023

AGENCY: Massachusetts Executive Office of Health and Human Services

SUMMARY OF PROPOSED ACTION

Pursuant to the provisions of M.G.L. c. 118E, §13A, methods and terms of payment for services rendered by chronic disease and rehabilitation hospitals (CDR hospitals) to patients entitled to medical assistance under M.G.L. c. 118E, §1 *et seq.* are established by contract between the MassHealth program and participating hospitals. This notice describes proposed updates to methods and standards for the establishment of rates and payments by contract for rate year (RY) 2024, effective for dates of service on or after December 15, 2023, between the Executive Office of Health and Human Services (EOHHS) and participating CDR hospitals that serve solely children and adolescents with complex acute rehabilitation and chronic needs (Pediatric CDR Hospitals). There is currently one CDR hospital that meets this criterion: Franciscan Children's (Franciscan).

DESCRIPTION OF PROPOSED UPDATED METHODS AND STANDARDS

EOHHS proposes updates to its comprehensive Inpatient Per Diem Rate for each participating Pediatric CDR Hospital, covering both routine and ancillary services provided to inpatients by applying a 3% increase to the inpatient rate.

EOHHS also proposes to provide in aggregate \$500,000 in quality incentive payments to qualifying CDR hospitals that meet the applicable quality measure benchmarks.

EOHHS further proposes to provide a supplemental payment of \$3M for high-complexity care to be apportioned equally between qualifying Pediatric CDR Hospitals.

The methods and standards described herein are being proposed in order to update rates and payments by contract that accurately reflect the efficient and economic provision of pediatric chronic disease services and/or comprehensive rehabilitation services. The proposed methods and standards described herein are therefore projected to result in a 3% increase in annual aggregate expenditures in RY 2024. The actual change in aggregate expenditures is estimated to be \$450,000 but may vary depending on actual utilization of services.

Included with this notice are the proposed rates and methods of payment, effective December 15, 2023. Please contact Pavel Terpelets, MassHealth Office of Long Term Services and Supports, One Ashburton Place, 3rd Floor, Boston, MA 02108, to send any written comments regarding this notice.

STATUTORY AUTHORITY:

M.G.L. c. 118E; 42 USC 1396

Related Regulations:

42 CFR Part 447

**EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
PEDIATRIC CHRONIC DISEASE AND REHABILITATION HOSPITALS
PROPOSED METHODS AND STANDARDS
FOR RATES AND PAYMENTS EFFECTIVE DECEMBER 15, 2023**

The following sections describe the proposed changes in methods and standards to be utilized by EOHHS to establish methods and rates of payment by contract, to be effective December 15, 2023, for services rendered by CDR hospitals that serve solely children and adolescents with complex acute rehabilitation and chronic needs (Pediatric CDR Hospitals). There is currently one CDR hospital that meets this criterion: Franciscan Children's (Franciscan).

Section 1: Inpatient Per Diem Rate.

The Inpatient Per Diem Rate is an all-inclusive daily rate paid for any and all inpatient care and services provided by a hospital to a MassHealth member, with the exception of any and all administrative days.

The rate of \$2,678.39 that was set as of October 1, 2023 is proposed to be increased by 3% to reflect increasing costs of providing complex pediatric care. The resulting proposed rate is \$2,758.74.

**Pediatric Chronic Disease and Rehabilitation Hospital
Proposed Medicaid Inpatient Payments
December 15, 2023–September 30, 2024**

Facility: Franciscan Children
Inpatient Per Diem: **\$2,758.74**
Inpatient ADA Per Diem: **\$2,309.60**
Outpatient Cost/Charge Ratio: 70.02%

Section 2: Quality Performance Incentive Payments

A. RY2024 Quality Performance Incentive Payments to Pediatric CDR Hospitals

Subject to legislative authorization, compliance with all applicable federal statutes, regulations, state plan provisions, the availability of funds, and full federal financial participation, in RY2024 EOHHS will make a total aggregate amount of \$500,000 available for Quality Performance Incentive Payments to qualifying Pediatric CDR Hospitals, as described below:

1. Qualification for Quality Performance Incentive Payments. In order to qualify for Quality Performance Incentive Payments, a Pediatric CDR Hospital must meet the following criteria:
 - a. Be a chronic disease and rehabilitation hospital that serves solely children and adolescents with complex acute rehabilitation and chronic needs that is located in Massachusetts and serving MassHealth members.
 - b. For Quality Performance Incentive Payment A, have recorded performance for April 2023–June 2023 that meets or exceeds the Performance Measurement A criteria described in Section C.2.a below, for the following measures, as reported by the Children’s Hospitals’ Solutions for Patient Safety National Children’s Network:
 - i. Reliability to bloodstream infection maintenance bundle must be equal to or greater than 80%;
 - ii. Central Line Associated Bloodstream Infections Rate excluding MBIs is less than or equal to 2.5.
 - c. For Quality Performance Incentive Payment B, have recorded performance for April 2023–June 2023 that meets or exceeds the Performance Measurement B criteria described below on the following measures, as reported by the Joint Commission:
 - i. 80% for Admission Screening for Violence Risk, Substance Use, Psychological Trauma History and Patient Strengths Completed—Children (1 through 12 years), as described in the Specifications Manual for Joint Commission National Quality Measures HBIPS-1b;
 - ii. 80% for Admission Screening for Violence Risk, Substance Use, Psychological Trauma History and Patient Strengths Completed – Adolescent (13 through 17 years), as described in the Specifications Manual for Joint Commission National Quality Measures HBIPS-1c.

2. Performance Measurements for Quality Incentive Payments.

a. Performance Measurement A. Performance will be measured based on:

An average of the three months of data for second quarter of 2022 (April 2023–June 2023) that is submitted to the Children’s Hospitals’ Solutions for Patient Safety National Children’s Network:

- i. Reliability to bloodstream infection maintenance bundle must be equal to or greater than 75%;
- ii. The catheter associated urinary tract infections rate of infections per 1,000 catheter line days must be less than or equal to 1.75.

b. Performance Measurement B.

Performance as reported by the Joint Commission for the second calendar quarter of 2022 (April–June 2022) on the following measures:

- i. 80% for Admission Screening for Violence Risk, Substance Use, Psychological Trauma History and Patient Strengths Completed—Children (1 through 12 years), as described in the Specifications Manual for Joint Commission National Quality Measures HBIPS-1b;
- ii. 80% for Admission Screening for Violence Risk, Substance Use, Psychological Trauma History and Patient Strengths—Completed Adolescent (13 through 17 years), as described in the Specifications Manual for Joint Commission National Quality Measures HBIPS-1c.

3. Payment.

a. EOHHS will issue the RY2023 Quality Performance Incentive Payment A in a total aggregate amount of \$300,000 and apportioned equally across the Pediatric CDR Hospitals that qualify for Payment A. Payment will be issued in one installment during RY2023 as follows: April 2024.

b. EOHHS will issue the RY2024 Quality Performance Incentive Payment B in a total aggregate amount of \$200,000 and apportioned equally across the Pediatric CDR Hospitals that qualify for Payment B. Payment B will be issued simultaneously with Payment A during April 2024.

B. Supplemental Payments for High-Complexity Pediatric Care Provided by Pediatric CDR Hospitals.

Subject to compliance with all applicable federal statutes, regulations, and state plan provisions; the availability of funds; and full federal financial participation, in RY 2024 EOHHS will make a total aggregate amount of \$3 million available for Supplemental Payments for High-Complexity Pediatric Care Provided by Pediatric CDR Hospitals to qualifying Pediatric CDR Hospitals.

1. Qualifications

In order to qualify for a Supplemental Payment for High-Complexity Pediatric Care Provided by a Pediatric CDR Hospital, a Pediatric CDR Hospital must be a CDR hospital that serves solely children and adolescents with complex acute rehabilitation and chronic

needs that is located in Massachusetts, that serves MassHealth members, and that operates DMH licensed beds.

2. Payment

EOHHS will issue the Supplemental Payment for High-Complexity Pediatric Care in April 2024, apportioned equally across the Pediatric CDR Hospitals that qualify.