



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place
Boston, Massachusetts 02108



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Secretary

www.mass.gov/eohhs

NOTICE OF PROPOSED AGENCY ACTION

SUBJECT: MassHealth: Payment for Privately Owned Psychiatric Hospital Services effective October 1, 2015

AGENCY: Massachusetts Executive Office of Health and Human Services

SUMMARY OF PROPOSED ACTION

Pursuant to the provisions of M.G.L. c. 118E, §13A, rates and terms of payment for services rendered by psychiatric 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 the methods and standards for the establishment of rates of payment by contract, effective October 1, 2015 between the Executive Office of Health and Human Services (EOHHS) and participating privately owned psychiatric hospitals licensed by the Department of Mental Health (DMH). The contract does not cover services provided to patients enrolled with the MassHealth Primary Care Clinician Plan's behavioral health contractor, or with other MassHealth-contracted managed care entities.

DESCRIPTION OF PROPOSED METHODS AND STANDARDS

MassHealth pays privately owned psychiatric hospitals using (1) a comprehensive statewide inpatient per diem rate covering both routine and ancillary services, (2) an all-inclusive statewide Administrative Day Rate, and (3) a hospital-specific cost-to-charge ratio for outpatient hospital services. The methods and standards described herein establish rates that accurately reflect the efficient and economic provision of private psychiatric hospital services. MassHealth will update the inpatient per diem and administrative day rates as further described herein. The proposed methods and standards described herein are projected to result in a 0% increase in annual aggregate expenditures in Rate Year 2016 (RY2016). The actual change in aggregate expenditures is estimated to be \$0.00, however, it may vary depending on actual utilization of services. Included with this notice are the proposed rates of payment effective October 1, 2015. Copies of this notice detailing the proposed changes in payment methods and standards are also available in each county court law library in the Commonwealth.

JUSTIFICATION

Except as specified above, the MassHealth privately owned psychiatric hospital payment methods for RY2016 are otherwise substantially similar to those for RY2015. All changes to hospital payment rates and methods are in accordance with state and federal law and are within the range of reasonable payment levels to privately owned psychiatric hospitals.



For further information, or to comment regarding RY2016 payment methods and rates, you may contact:

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Or by email: Muriel.Freeman@state.ma.us

STATUTORY AUTHORITY:
M.G.L. c. 118E; 42 USC 1396 et seq.

Related Regulations:
42 CFR Part 447