

## **Notice of Proposed Agency Action**

**SUBJECT:** MassHealth: Payment for In-State Acute Hospital Services, Effective July 7, 2025

**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 hospitals, as described in the rate year 2025 Notice of Final Agency Action published on or around September 27, 2024 (RY25 Notice), the rate year 2025 Notice of Final Agency Action published on or around October 1, 2024 (RY25 Amendment 1 Notice), the rate year 2025 Notice of Final Agency Action published on or around December 30, 2024 (RY25 Amendment 2 Notice), the rate year 2025 Notice of Final Agency Action published on or around March 27, 2025 (RY25 Amendment 3 Notice), and the rate year 2025 Notice of Final Agency Action published on or around May 28, 2025 (RY25 Notice #4) (collectively, the RY25 Notices).

Specifically, effective July 7, 2025, EOHHS is implementing the following change to payment methodologies for in-state acute hospitals:

- Increasing the amount to be paid out through the Inpatient Psychiatric Supplemental Payment by \$5 million; and
- Increasing the amount to be paid out through the High Medicaid Volume Safety Net Continuation of Access Supplemental Payment by \$145 million.

This change in payment methodology is 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 RY25 Notices.

EOHHS expects that annual aggregate expenditures for MassHealth state plan acute inpatient and outpatient hospital services will increase by \$150 million as a result of these changes. 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 RY25 acute inpatient and outpatient hospital payment methods described in the RY25 Notice remain unchanged. The RY25 Notice is under the heading “Federal Fiscal Year 2025 Notices” on the “Special Notices for Acute Hospitals” page on the MassHealth website: [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. 2024, c. 140; St. 2012, c. 224; 42 U.S.C. 1396a; 42 U.S.C. 1396b.

**Related Regulations:** 130 CMR 415.000, 450; 42 CFR Parts 431 and 447.

June 27, 2025