

**NOTICE OF CHANGES IN STATEWIDE METHODS AND STANDARDS FOR SETTING PAYMENT RATES**

**SUBJECT:** MassHealth: Rates for MassHealth Home Health Services

**AGENCY:** Massachusetts Executive Office of Health and Human Services

**SUMMARY:** Rate Changes for Home Health Services Effective January 1, 2017, and July 1, 2017

**DESCRIPTION OF CHANGES**

Described below are changes to the rates for Home Health Services under the MassHealth program. These changes are being made in accordance with M.G.L. c. 118E, sections 13C and 13D, which requires the Secretary of the Executive Office of Health Human Services to establish, by regulation, rates for health care services, including home health services.

The following rate changes are effective January 1, 2017:

- A 6.75% reduction in the rate for skilled nursing services provided on or after 61 calendar days to reflect decreased acuity of services provided after 61 days, and to comply with budgetary obligations pursuant to M.G.L. c. 28, Section 9C.
- A 2.6% increase in the rates for continuous skilled nursing (CSN) services pursuant to Chapter 46 of the Acts of 2015, line item 4000-0300 which required MassHealth to “review the reimbursement rates for independent home care nurses and consider restructuring the rate.”

The following rate changes are effective July 1, 2017:

A change from the current two-tiered rate structure for skilled nursing visits to a three-tiered rate structure. The purpose of this change is to better align payment rates for home health skilled nursing visits with the efficient delivery of these services. The three-tier rate structure reflects the higher intensity of skilled nursing services provided in the first 30 days of skilled nursing visits, and the reduced intensity of skilled nursing that occurs during visits occurring after a member has been routinely receiving skilled nursing services for an extended period of time (i.e. greater than six months).

The three-tier rate structure for skilled nursing visits includes the following three rate tiers:

- 1) a higher post-acute rate of \$89.21 for the first 30 days of service;
- 2) a short-term chronic rate of \$69.59 from 31 days to 180 days; and
- 3) a lower long-term chronic rate of \$52.19 for visits after 180 days.

Under the proposed three-tier rate structure, the higher ‘post-acute’ rate for skilled nursing services provided in the first 30 days reflects a 2.6% Cost Adjustment Factor (CAF) increase over the current 1-60 day nursing visit rate to reflect that visits in the first 30 days tend to be more complex and time-sensitive than visits to established patients. The ‘short term chronic’ rate of \$69.59 represents the current rate for visits on or after 61 calendar days, being applied to

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visits on or after 31 calendar days. And the lowest rate, the ‘long-term chronic’ rate for skilled nursing visits after 180 calendar days, reflects a 25% reduction from the current nursing visit rate of \$69.59 for visits on or after 61 calendar days. The 25% reduction is based on MassHealth audits of home health agencies, which showed reduced intensity of nursing care and the time required for skilled nursing visits after a member has been routinely receiving skilled nursing services for an extended period of time.

It is estimated that annual aggregate state expenditures will decrease by \$13.7 million as a result of these changes. The actual change in annualized expenditures may vary depending on actual utilization of services.

## **PUBLIC HEARING AND OPPORTUNITY FOR WRITTEN COMMENT**

A public hearing will be held on January 20<sup>th</sup> at 1 p.m. in the First Floor Conference Room, 100 Hancock Street, Quincy, MA. Individuals who notify EOHHS of their intent to testify at the hearing will be afforded an earlier opportunity to speak. Speakers may notify EOHHS of their intention to testify at the hearing by registering online at [www.mass.gov/eohhs/gov/laws-regs/hhs/public-hearings.html](http://www.mass.gov/eohhs/gov/laws-regs/hhs/public-hearings.html). Individuals may also submit written testimony by e-mailing [ehs-regulations@state.ma.us](mailto:ehs-regulations@state.ma.us). Please submit electronic testimony as an attached Word document or as text within the body of the e-mail with the name of the regulation, 101 CMR 350.00, in the subject line. All submissions must include the sender’s full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by e-mail should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6<sup>th</sup> Floor, Quincy, MA 02171. Written testimony must be submitted by 5:00 p.m. on January 20, 2017.

All persons desiring to review the current draft of the proposed regulatory actions may go to [www.mass.gov/eohhs/gov/laws-regs/hhs/public-hearings.html](http://www.mass.gov/eohhs/gov/laws-regs/hhs/public-hearings.html) or request a copy in writing or in person from MassHealth Publications, 100 Hancock Street, 6<sup>th</sup> Floor, Quincy, MA 02171.