

**Commonwealth of Massachusetts  
Executive Office of Health and Human Services**

**NOTICE OF PUBLIC HEARING**

Under the authority of M.G.L. c. 118E and in accordance with M.G.L. c. 30A, the Executive Office of Health and Human Services (EOHHS) will hold a remote public hearing on Friday, January 24, 2025, at 11:00 a.m. relative to the emergency adoption of amendments to the following regulation.

**101 CMR 204.00: Rates of Payment to Resident Care Facilities**

The regulation went into effect as an emergency on January 1, 2025. There is no fiscal impact on cities and towns.

101 CMR 204.00 governs payment rates for resident care services (“rest homes”) provided to publicly aided individuals by governmental units.

The proposed rates, effective January 1, 2025, were calculated according to the following methodology:

- Update the base year from 2021 to 2022.
  - Calculate allowed variable and fixed cost per diems using 2022 costs.
    - Cap variable costs at the 85<sup>th</sup> percentile, or \$165.93. (Variable costs include an imputed amount of \$121,380 for the personal services of an owner for rest homes that are sole proprietorships, since they do not report owner’s salary. There are currently no rest homes that are sole proprietorships.)
    - With a 6.98% cost adjustment factor (CAF) applied, the cap is at \$177.51. (The CAF is based on inflation indices derived by cost center from data provided by IHS Markit. The CAF was calculated with a base period of CY2022 and a one-year rate period beginning October 1, 2024.)
    - Fixed cost component is limited to the amounts described in 101 CMR 204.08(2)(a)1.d.
    - The methodology used to set the proposed rates applies a 90% occupancy standard when calculating per diem costs.
- For each rest home, the preliminary rate is the sum of the components listed above.
- For each rest home, calculate its DTA days percentage by dividing its DTA days by the facility’s total resident days, based on the 2022 cost report. The facility’s DTA days percentage adjustment is equal to its DTA days percentage multiplied by \$24.65.
- For each rest home, calculate a new rate effective January 1, 2025, equal to the greater of
  - The sum of the preliminary rate, the DTA days percentage adjustment, and a resident care add-on of \$4.60,

- The facility's certified rate in effect on December 31, 2024, or
- \$105.
- If the rate calculated above exceeds the current rate effective December 31, 2024, plus \$70, the facility will receive a negative adjustment such that the new rate effective January 1, 2025, will be equal to the current rate effective December 31, 2024, plus \$70.
- For each rest home, calculate its FY2024 RCC-Q by dividing certain rest home expenses by revenue, excluding any revenue from non-rest home lines of business, based on reports that facilities are required to file. For non-exempt facilities with RCC-Q scores that fall below the established threshold of 80%, a downward adjustment is applied to their rate. For every 1 percentage point that the facility's RCC-Q is below the threshold, the downward adjustment is 0.5% of the rate, up to a maximum of a 5% downward adjustment. Additionally, EOHHS may conduct an audit of RCC-Q data for selected facilities. Language has been added to the regulation to indicate that if a facility's audit shows that their score was in fact below the 80% threshold in the prior fiscal year, a downward adjustment to their currently effective rate will be calculated, and the dollar value of this adjustment will be applied to the newly established rate in the following rate period. An audit of FY23 RCC-Q scores that were used during the FY24 rate calculations found that two facilities' actual RCC-Q scores were below 80%. To account for this, a downward adjustment was calculated based on a percentage of their rates in effect December 31, 2024, and the dollar value of this adjustment is proposed to be applied beginning in their rates effective January 1, 2025.
- For rates effective January 1 through January 31, 2025, apply an annualization adjustment of 296.77% of the difference between the new rate and the current rate, to cover the 92 days from October 1 through December 31, 2024.

The current daily rates for rest homes range from \$103.95 to \$242.83, with a median of \$150.09. For the period beginning February 1, 2025, the proposed rates range from \$105.00 to \$242.83, with a median of \$149.65.

Additional amendments are proposed to remove descriptions of other COVID-19-related add-on payments for programs that have ended, to update the scope of the regulations and rates within, and to clarify the auditing process of RCC-Q reporting.

There is no anticipated change in annual aggregate state expenditures to eligible resident care facilities based on the proposed amendments.

To register to testify at the hearing and to get instructions on how to join the hearing online, go to [www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings](http://www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings). To join the hearing by phone, call (646) 558-8656 and enter meeting ID 935 397 8200# when prompted.

You may also submit written testimony instead of, or in addition to, live testimony. To submit written testimony, please email your testimony to [ehs-regulations@mass.gov](mailto:ehs-regulations@mass.gov) as an attached Word or PDF document or as text within the body of the email with the

name of the regulation in the subject line. All written testimony must include the sender's full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by email should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6<sup>th</sup> Floor, Quincy, MA 02171. Written testimony will be accepted through 5:00 p.m. on Friday, January 24, 2025. EOHHS specifically invites comments as to how the amendments may affect beneficiary access to care for MassHealth-covered services.

To review the emergency regulation, go to [www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings](http://www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings) or request a copy in writing from MassHealth Publications, 100 Hancock Street, 6<sup>th</sup> Floor, Quincy, MA 02171. To view or download related supporting materials, go to [www.mass.gov/info-details/proposed-regulations-supporting-materials](http://www.mass.gov/info-details/proposed-regulations-supporting-materials).

Special accommodation requests may be directed to the Disability Accommodations Ombudsman by email at [ADAAccommodations@mass.gov](mailto:ADAAccommodations@mass.gov) or by phone at (617) 847-3468 (TTY: (617) 847-3788 for people who are deaf, hard of hearing, or speech disabled). Please allow two weeks to schedule sign language interpreters.

EOHHS may adopt a final, revised version of the emergency regulation taking into account relevant comments and any other practical alternatives that come to its attention.

In case of inclement weather or other emergency, hearing cancellation announcements will be posted on the MassHealth website at [www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings](http://www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings).

January 3, 2025