

## **Introduction**

Good morning. My name is Davina Maddox, and I am the Renal Dialysis Program Manager at MassHealth in the Executive Office of Health and Human Services (EOHHS). I am here to present testimony on proposed amendments to 101 CMR 337.00: *Rates for Dialysis Treatments and Home Dialysis Supplies*. The proposed amendments are anticipated to be effective for dates of services on or after July 17, 2026.

## **Background**

Regulation 101 CMR 337.00, last amended effective April 1, 2024, governs rates of payment for dialysis and acute kidney injury treatments, and home dialysis maintenance supplies.

Additionally, the regulation includes add-on rates for dialysis training provided to the patient and oral calcimimetics. Rates for additional services that a governmental purchaser chooses to purchase separately from other services, that is, supplies used in conjunction with home dialysis treatment and routine laboratory tests associated with dialysis, are located in 101 CMR 322.00: *Rates for Durable Medical Equipment, Oxygen and Respiratory Therapy Equipment* and 101 CMR 320.00: *Rates for Clinical Laboratory Services*, respectively.

## **Description of Proposed Changes**

EOHHS proposes to incorporate and establish fixed rates for certain drug codes issued in Administrative Bulletin 25-18 (AB). These drug codes include J0601, J0602, J0603, J0605, J0607, J0608, J0609, and J0615. Rates for these codes issued in the AB were set as individual consideration (IC), effective for dates of service on or after January 1, 2025. The proposed rates were calculated based on the FY2024 MassHealth pharmacy claims data corresponding to the procedure codes listed in the AB. This dataset included utilization data for each procedure code listed in the AB except for one code, J0605. The MassHealth pharmacy claims data were used to calculate the price per milligram of the medication dispensed for each individual claim, which included a dispensing fee of \$10.02. Then, the price per milligram of the medication dispensed for each individual claim was averaged across the multiple claims for the same procedure code.

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The average price per milligram for each code was then multiplied by the corresponding medication volume specified within the code description to calculate the proposed rate.

As stated, procedure code J0605 did not have any utilization in the MassHealth pharmacy claims data used in the analysis. The rate for code J0605 provided by MassHealth Pharmacy Program is \$17.86488 based on Wholesale Acquisition Cost (WAC) data, and EOHHS proposes to use a rounded rate of \$17.86 as the rate for code J0605.

All other rates are proposed to remain at their existing levels.

In addition, EOHHS proposes to add the definition of Individual Consideration to the “Definitions” section at 101 CMR 337.02 in accordance with 101 CMR 337.01(6). Because the proposed regulation will not be in effect until July 17, 2026, EOHHS will also issue an AB to clarify the IC payment methodology associated with the IC rates issued via AB 25-18.

Finally, EOHHS proposes to amend 101 CMR 337.00 to reflect updated terminology and current policy.

The proposed amendments are in compliance with the requirement of M.G.L. Chapter 118E, Section 13C, which requires that rates established by EOHHS for health care services be “adequate to meet the costs incurred by efficiently and economically operated facilities providing care and services in conformity with applicable state and federal laws and regulations and quality and safety standards and which are within the financial capacity of the commonwealth.”

### **Fiscal Impact**

There is no fiscal impact associated with the proposed amendments.

This concludes my testimony.

Thank you.