Testimony on Amendments to 101 CMR 350.00
Rates for Home Health Services
Effective August 1, 2026
April 3, 2026

Introduction

Good afternoon. My name is April Miranda, Program Manager for Home Health, Hospice, and Therapy programs at the Office of Long Term Services and Supports (OLTSS) in the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on proposed amendments to 101 CMR 350.00: *Rates for Home Health Services*. The anticipated effective date of the proposed amendments is for dates of service on or after August 1, 2026.

Background

Regulation 101 CMR 350.00 governs the rates of payment by MassHealth and other governmental purchasers for services provided in a home health setting for intermittent skilled nursing, medication administration, home health aide services, physical therapy, speech therapy, and occupational therapy.

Description of Proposed Amendments

EOHHS proposes to establish two per member per month rates for new optional home health agency value based payment (VBP) services, which align with the Centers for Medicare & Medicaid Services' (CMS) home health value based purchasing program. The home health agency VBP service rates will only be accessible to home health agencies that opt to participate and meet provider eligibility requirements that will be established in 130 CMR 403.000: *Home Health Agency*. The home health agency VBP Rate 1 is proposed at $2,957.60 per member per month and VBP Rate 2 is proposed at $3,286.22 per member per month. Differential VBP rates are paid based on the eligible provider's performance on certain quality measures, which are further described below.

The proposed home health agency VBP Rate 2 was calculated by multiplying the current rates of relevant component services by the respective weighted average monthly utilization, and then summing up the products to yield the base per member per month rate. Relevant component services include medication administration visits (MAV), skilled nursing visits (SNV), home health aide (HHA) visits, and therapy visits that are established in 101 CMR 350.00. The weighted average monthly utilization per member for MAV services was multiplied by the

current rate of $71.52 per visit for MAV codes (T1502, T1503) and the weighted average monthly utilization per member for HHA services was multiplied by the current rate of $10.18 per 15 minutes for HHA codes (G0156, G0156 UD). For therapy services, a blended rate of $95.06 per visit was calculated weighted by utilization for each therapy visit code (G0151, G0152, G0153). The same methodology was used to calculate the blended rate of $89.41 per visit for SNV codes (G0299, G0299 UD, G0300, G0300 UD). The weighted average monthly utilization per member was then multiplied by the respective blended rates for therapy and SNV services. The sum of the products for MAV, HHA, therapy and SNV services results in the base per member per month rate for VBP Rate 2.

To incentivize provider enrollment in the home health agency VBP service, an administrative adjustment of 10% was applied to the base per member per month VBP Rate 2. In addition, costs for medical social work visits were added, accounting for two visits per month at the 2025 Medicare rate of $149.24 per visit. This yields the final VBP Rate 2 of $3,286.22 per member per month. The final VBP Rate 1 is calculated by reducing the VBP Rate 2 by 10%, or $2,957.60 per member per month. EOHHS proposes to pay for medical social work visits only as part of the home health agency VBP service.

In Rate Year 1, or state fiscal year (SFY) 2027, of the home health agency VBP service implementation, all contracted home health agency VBP service providers will receive the VBP Rate 2 of $3,286.22 per VBP member per month. To determine the payment rates for Rate Year 2, or SFY 2028, contracted home health agency VBP service providers will be evaluated on their Rate Year 1 performance on three quality measures: hospital admissions, emergency room visits, and Medicaid total cost of care. Each provider's performance will be ranked based on the total number for the individual quality measure within Rate Year 1 and scored relative to the rank, by quartile, of all other providers for the particular quality measure. For example, providers will be ranked or distributed based on the total number of hospital admissions for all eligible VBP service members and given a score of one or zero depending on in which quartile they are categorized. Providers will also be ranked on the total number of emergency room visits and total amount of Medicaid total cost of care.

Once ranked by quartile, home health agency VBP service providers will be given three scores, one for each category. Within each category, providers that are ranked within the top three quartiles will earn one point. Those providers that are ranked within the bottom quartile within a category of providers will receive zero points for the respective quality measure.

Each home health agency VBP service provider's points will then be totaled. The lowest possible score is zero and the highest possible score is three. Providers with a score of two or three will continue to receive the VBP Rate 2 of $3,286.22 per VBP member per month in Rate Year 2. Providers with a score of zero or one will receive the reduced VBP Rate 1 of $2,957.60 per VBP member per month in Rate Year 2. Provider quality measures will be reassessed and scored annually. Payment rates for subsequent rate years will be scored based on the contracted provider's quality ranking for services provided in the prior rate year.

Rates for all other home health services are proposed at the current levels.

Proposed rates satisfy the requirements 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

The estimated aggregate annual fiscal impact of the proposed amendments is $3.4 million in Rate Year 1 and additional $3 million in Rate Year 2 for a total additional investment of $6.4 million for both rate years relative to the base spending for the eligible population.