



EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF MEDICAID
ONE ASHBURTON PLACE, BOSTON, MA 02108



MAURA T. HEALEY
GOVERNOR

KATHLEEN E. WALSH
SECRETARY

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

MIKE LEVINE
ASSISTANT SECRETARY
FOR MASSHEALTH

May 2, 2024

Chair Michael J. Rodrigues
Senate Committee on Ways & Means
State House Room 212
Boston, MA 02133

Chair Aaron Michlewitz
House Committee on Ways and Means
State House Room 243
Boston, MA 02133

Chair Cindy Friedman
Joint Committee on Health Care Financing
State House Room 313
Boston, MA 02133

Chair John Lawn
Joint Committee on Health Care Financing
State House Room 236
Boston, MA 02133

Dear Chairs Rodrigues and Michlewitz,

Line item 4000-0300 of the Fiscal Year 2024 budget, Chapter 28 of the Acts of 2023, requires the Office of Medicaid (MassHealth) to report to you the following information:

“a report on the review of wage payment rates for the provision of continuous skilled nursing care, as established in 101 CMR 350.04, 101 CMR 361, and 101 CMR 453, including: (I) an aggregated overview of the wage payment rates paid by home health agencies to staff or contracted nurses providing continuous skilled nursing care, including any increases in said wage rates resulting from increases in Medicaid rates paid to home health agencies for continuous skilled nursing care; (II) an aggregated overview of the proportion of the Medicaid reimbursement rate paid directly as wages and benefits to nurses providing continuous skilled nursing care through a home health agency that contracts with MassHealth; (III) an aggregated breakdown of said wage rates as applied to the acuity level of patients receiving continuous skilled nursing care; (IV) an aggregated breakdown of said wage rates as applied to the licensure level of the providers of continuous skilled nursing care; (V) state costs for wage rates promulgated in state fiscal years 2020 to 2023, inclusive, by regulation, department and program; (VI) the fiscal impact of increases in state funding versus prior fiscal year actual costs for wage rates promulgated for state fiscal years 2020 to 2023, inclusive, by regulation, department and program; and (VII) recommendations on information to be included in any future reporting by home health agencies receiving an increase of continuous skilled nursing care rates provided by the office of Medicaid; provided further, that home health agencies providing continuous skilled nursing care shall provide all information and documentation requested by the executive office of health and human services to compile the required report”.

As of January 2024, the MassHealth continuous skilled nursing (CSN) program serves 928 members. Fifty-nine MassHealth-enrolled home health agencies and continuous skilled nursing agencies, as well as approximately 350 MassHealth-enrolled independent nurse providers serve this population. CSN services are skilled nursing care provided by a licensed nurse to eligible MassHealth members who require more than two continuous hours of nursing services per day. Many of the members who receive CSN services have complex care needs that are served through multiple in-home and outpatient care providers. Note that in January 2022, MassHealth established a new provider type, Continuous Skilled Nursing agency to separate continuous skilled nursing services provided by agencies from home health services (intermittent nursing) provided by agencies.

Attached is one report with six sections containing the following information: (a) Median nurse hourly wage broken down by licensure and shift differential, and median gross hourly wage and median increase to single patient weekday rate due to MassHealth increases from July 2021 through June 2023; (b) median percent of MassHealth rate agencies spent on overhead costs; (c) aggregated breakdown of wage rates as applied by acuity level; (d) total amount paid by MassHealth to agencies for fee-for-service continuous skilled nursing (CSN) services, broken down by fiscal year and provider type; (e) year over year difference in total amount paid for fee-for-service CSN services provided by agencies; and (f) recommendations on information to be included in any future reporting by agencies providing CSN services.

Data for this report was collected through MassHealth's claims system as well as a survey sent to 64 agencies providing CSN services to MassHealth members. MassHealth received 26 agency responses to its survey, and these 26 agencies represent approximately 96% of MassHealth CSN expenditures to agency providers. Please note, MassHealth did not receive responses to section c of the report aggregating the breakdown of wage rates as applied by acuity level. MassHealth assumes responding agencies do not pay wage differentials based on acuity level or chose not to respond to the survey.

I hope you find this report useful and informative. Please feel free to contact Sarah Nordberg at Sarah.Nordberg@mass.gov with any questions.

Sincerely,

A handwritten signature in black ink that reads "Mike Levine". The signature is written in a cursive, flowing style.

Mike Levine

cc: Kathleen E. Walsh