



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

June 20, 2024

Chair Michael J. Rodrigues
 Senate Committee on Ways and 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 John C. Velis
 Joint Committee on Mental Health,
 Substance Use and Recovery
 State House, Room 519
 Boston, MA 02133

Chair Adrian C. Madaro
 Joint Committee on Mental Health,
 Substance Use and Recovery
 State House, Room 33
 Boston, MA 02133

Dear Chairs Rodrigues, Michlewitz, Velis, and Madaro,

Budget line item 4000-0500 of Section 2 of Chapter 28 of the Acts of 2023 requires the Executive Office of Health and Human Services to conduct and submit a comparative analysis of the rate differential for inpatient psychiatric hospitals and substance abuse treatment hospital per diem payments. The comparative analysis should analyze the per diem payments made by MassHealth Managed Care Entities (MCEs), including Managed Care Organizations, Accountable Care Partnership Plans, the behavioral health vendor, One Care, and Senior Care Options (SCO) plans, in comparison to the MassHealth (MH) Fee for Service (FFS) rate.

Table 1: Psychiatric Inpatient Hospital/Unit Rates (Per Diem) reported as of December 2023.

Age Group	Type	MH FFS	All Other Payors			
			Minimum	Maximum	Average	Median
Adult	IP	\$954.59	\$710.00	\$2,064.36	\$1,057.36	\$955.00
Child	IP	\$954.59	\$804.83	\$2,409.09	\$1,131.11	\$975.00
All	IP	\$954.59	\$710.00	\$2,409.09	\$1,073.89	\$960.00

Table 1 depicts the psychiatric inpatient per diem rates by age group for MassHealth FFS in comparison to the MCE rates. Please note that effective July 1, 2021, MassHealth contracted MCEs are required to adopt the MassHealth FFS psychiatric hospital/unit per diem rate as a rate floor. This requirement does not apply to Senior Care Organizations or One Care plans. The current MassHealth FFS psychiatric

hospital/unit per diem rate is \$954.59. The MassHealth FFS psychiatric inpatient per diem rate is paid in addition to the per inpatient admission rate, resulting in a higher effective per diem.

As noted in the above table, the MCE per diem rate for adult psychiatric units ranges from a minimum of \$710.00 to a maximum of \$2,064.36 with an average rate of \$1,057.36 and a median of \$955.00. The child minimum rate for psychiatric inpatient units is \$954.49 and the maximum rate is \$2,409.09. The average rate for psychiatric child units among MCEs who contract for this service is \$1,150.41 with a median of \$975.00.

Table 2: Specialty Per Diem Services Rates

Category	Type	MH FFS	All Other Payors			
			Minimum	Maximum	Average	Median
Specialty Inpatient Psychiatric Service for Children/Adolescents with Neurodevelopmental Disorders Per Diem Payment	IP	\$1,936.21	\$1,010.68	\$1,938.00	\$1,652.02	\$1,936.21
Specialty Inpatient Psychiatric Service for Eating Disorder Per Diem Payment	IP	\$1,500	\$957.60	\$1,500	\$1,284.26	\$1,500.00

Table 2 depicts the rate differential for Specialty Inpatient Per Diem payments in FFS in comparison to the MCE rates. There are currently two Specialty Inpatient Per Diem Rates for inpatient psychiatric hospitals: 1) Specialty Inpatient Per Diem Rate for Psychiatric Services for Children/Adolescents with Neurodevelopmental Disorders; and 2) Specialty Inpatient Per Diem Rate for Psychiatric Services for Eating Disorders Treatment.

As noted in the above table, the MCE per diem rate for Specialty Inpatient Psychiatric Service for Children/Adolescents with Neurodevelopmental Disorders ranges from a minimum of \$1,155.69 to a maximum of \$1,938.00 with an average rate of \$1,682.85 and a median of \$1,936.21. The FFS Specialty Inpatient Psychiatric Service for Eating Disorders minimum rate is \$957.60 and the maximum rate is \$1,500. The average rate among MCEs who contract for this service is \$1,140.44, with a median of \$963.72.

Table 3: Substance Abuse Treatment Hospital Rates (Per Diem) reported as of December 2023

Age Group	Type	MH FFS	All Other Payors			
			Minimum	Maximum	Average	Median
All	SUD	\$908.35	\$436.00	\$1,897.00	\$887.96	\$908.35

Table 3 depicts the substance abuse treatment hospital (SATH) per diem rates for MassHealth FFS in comparison to the MCE rates. The current MassHealth FFS SATH per diem rate is \$908.35.

As noted in the table above, the MCE rates range from a minimum of \$436 to a maximum of \$1,897, with an average for all MassHealth MCEs of \$887.96 and a median of \$908.35.

Please feel free to contact Sarah Nordberg at Sarah.Nordberg@mass.gov should you have any questions about this report.

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