



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



MAURA T. HEALEY
GOVERNOR

KIAME MAHANIAH, MD, MBA
SECRETARY

KIMBERLEY DRISCOLL
LIEUTENANT GOVERNOR

RYAN SCHWARZ, MD, MBA
ASSISTANT SECRETARY
FOR MASSHEALTH

August 28, 2026

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 Velis
Joint Committee on Mental Health,
Substance Use and Recovery
State House, Room 513
Boston, MA 02133

Chair Mindy Domb
Joint Committee on Mental Health, Substance
Use and Recovery
State House Room 33
Boston MA, 02133

Dear Chairs Rodrigues, Michlewitz, Velis, and Domb,

Budget line item 4000-0500 of Section 2 of Chapter 9 of the Acts of 2025 requires the Executive Office of Health and Human Services to conduct and submit a comparative analysis of the rate differential for inpatient psychiatric, and substance use hospital per diem payments. The comparative analysis below analyzes 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 January 2026.

	MH FFS	All Other Payors			
Age Group		Minimum	Maximum	Average	Median
Adult	\$954.59	\$902.34	\$3,279.00	\$1,089.00	\$955.00
Child	\$954.59	\$954.59	\$2,189.43	\$1,131.02	\$954.59
All	\$954.59	\$902.34	\$3,279.00	\$1,097.44	\$955.00

Table 1 depicts the psychiatric inpatient per diem rates by age group for MassHealth FFS in comparison to the MCE rates. Please note that MassHealth contracted MCEs, excluding SCO and One Care, are required to adopt the MassHealth FFS psychiatric hospital/unit per diem rate as a rate floor.

Table 2: Specialty Per Diem Services Rates reported as of January 2026

	MH FFS	All Other Payors			
Category		Minimum	Maximum	Average	Median
Specialty Inpatient Psychiatric Service for Children / Adolescents with Neurodevelopmental Disorders Per Diem	\$1,936.21	\$1,936.21	\$2,226.64	\$1,974.99	\$1,936.21
Specialty Inpatient Psychiatric Service for Eating Disorder Per Diem	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

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.

Please note that MassHealth contracted MCEs, excluding SCO and One Care, are required to adopt the MassHealth FFS specialty inpatient rates as rate floors.

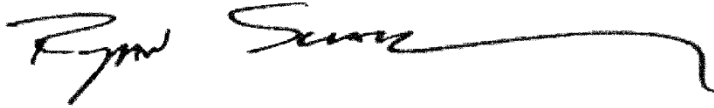
Table 3: Substance Abuse Treatment Hospital Rates (Per Diem) reported as of January 2026

	MH FFS	All Other Payors			
Age Group		Minimum	Maximum	Average	Median
All	\$908.35	\$546.00	\$908.35	\$870.99	\$908.35

Table 3 depicts the Substance Abuse Treatment Hospital (SATH) per diem rates for MassHealth FFS in comparison to the MCE rates. Please note that MassHealth contracted MCEs, excluding SCO and One Care, are required to adopt the MassHealth FFS SATH per diem rate as a rate floor.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Schwarz", with a long horizontal flourish extending to the right.

Ryan Schwarz, MD, MBA

cc: Kiame Mahaniah, MD, MBA