

Joint Committee on Health Care Financing 2025-2026 (194th) Bill Summary

<u>Bill Number:</u>	House, No. 1409
<u>Title:</u>	AN ACT RELATIVE TO MASSHEALTH
<u>Sponsor:</u>	Representative Todd M. Smola (Palmer)
<u>Hearing Date:</u>	July 15, 2025
<u>Reporting Deadline:</u>	September 13, 2025
<u>Prior History:</u>	A refile of H3588 from the 2023-2024 legislative session. Referred to the Joint Committee on Health Care Financing. Public hearing on June 13, 2023. Accompanied a study order (H4634) on May 9, 2024.
<u>Similar Matters:</u>	N/A

Current Law:

M.G.L. Ch. 111 § 51 authorizes the Department of Public Health to establish and enforce standards and requirements for licensing of hospitals.

M.G.L. Ch. 111 § 71 governs the Department of Public Health’s licensing of nursing homes.

Chapter 118E of the General Laws pertains to the state Medicaid program (MassHealth).

M.G.L. Ch. 118E, § 13C directs EOHHS, or its an agency designated by EOHHS, to establish MassHealth payment rates and the rates paid by governmental units for health care services and social service programs. Payment rates must be i) “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 ii) within the financial capacity of the Commonwealth.

--- ¶2 directs EOHHS to set rates for nursing homes and rest homes annually on or before October 1 using as a base year the reported costs if the calendar year not more than 4 years prior to the current rate year, adjusted for reasonableness. EOHHS is further directed to establish rates utilizing such methods and standards, as outlined in this paragraph, necessary to ensure reimbursement for those costs which must be incurred by efficiently and economically operated facilities and providers.

101 CMR 206 establishes rates of payment set by EOHHS for services rendered to publicly aided and industrial accident residents by nursing facilities, including residents in a residential care unit of a nursing facility. Existing rates under this chapter were most recently updated and effective on January 25, 2021.

101 CMR 206.02 defines “nursing facility” as a nursing or convalescent home; an infirmary maintained in a town; a charitable home for the aged, as defined in M.G.L. c. 111, § 71; or a nursing facility operating under a hospital license issued by the Department of Public Health pursuant to M.G.L. c. 111, and certified by the Department of Public Health for participation in MassHealth. It includes facilities that operate a licensed residential care unit within the nursing facility.

Summary:

The proposed legislation adds a paragraph to section 13C of chapter 118E to clarify that EOHHS may not subject a nursing facility, as defined in 101 CMR 206.2, to a downward adjustment of its rates for the payment of health care services based on the failure of the facility to meet a specified number of hours per patient per day. EOHHS is tasked with issuing or updating regulations necessary to implement this act.