



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



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May 2, 2023

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,

Pursuant to line item 4000-0500 of the FY23 General Appropriations Act, the Executive Office of Health and Human Services provides below a comparative analysis of the psychiatric inpatient and substance abuse treatment hospital per diem rates as of December 2022.¹ The following data reflects rates from all 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) current rates reported as of December 2022

		MH FFS	All Other Payors			
Age Group	Type		Minimum	Maximum	Average	Median
Adult	IP	954.59	502.00	3,298.00	1,057.17	960.00
Adolescent	IP	954.59	954.59	2,008.86	1,015.79	954.59
Child	IP	954.59	954.59	2,008.86	1,027.11	954.59
All	IP	954.59	502.00	3,298.00	1,040.76	955.00

¹ In addition to the per diem rate, as of October 1, 2022, MCEs are required to pay a per admission rate, the floor for which varies based on the characteristics of the member and the stay. Please note that plans are currently configuring for the new per admission rates, and reporting on those will begin next year.

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 Accountable Care Partnership Plans, Managed Care Organizations, and MassHealth's behavioral health vendor 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.

As noted in the above table, the MCE per diem rate for adult psychiatric units ranges from a minimum of \$502.00 to a maximum of \$3,298.00 with an average rate of \$1,057.17 and a median of \$960.00. The adolescent and child minimum rate for psychiatric inpatient units is \$954.59 and the maximum rate is \$2,008.86 for both adolescent and child units. The average rate for psychiatric adolescent units among MCEs who contract for this service is \$1,015.79, with a median of \$954.59. The average rate for psychiatric child units among MCEs who contract for this service is \$1,027.11 with a median of \$954.59. Please note that One Care and SCO do not contract with child and adolescent units given the age of the population enrolled with these plans.

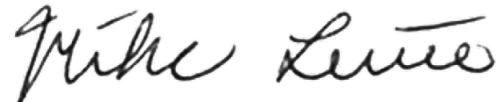
Table 2: Substance Abuse Treatment Hospital Rates (Per Diem) current rates reported as of December 2022

		MH FFS	All Other Payors			
Age Group	Type		Minimum	Maximum	Average	Median
All	SUD	908.35	436.00	1,956.00	695.12	564.32

As noted in Table 2, the MassHealth Fee for Service rate for Level 4 service provided at a Substance Abuse Treatment Hospital is \$908.35 as of November 1, 2022 (increased from the previous rate of \$578.52). In comparison to the MassHealth FFS rate, the MCE rates range from a minimum of \$436.00 to a maximum of \$1,956.00, with an average for all MassHealth MCEs of \$695.12 and a median of \$564.32. MassHealth does not currently direct a rate floor for MCEs for inpatient SUD services.

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

Sincerely,



Mike Levine

cc: Kathleen E. Walsh