



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



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FOR MASSHEALTH

July 21, 2025

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 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 4000-0300 of Section 2 of Chapter 140 of the Acts of 2024 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 January 2025.

		MH FFS	All Other Payors			
Age Group	Type		Minimum	Maximum	Average	Median
Adult	IP	\$954.59	\$858.00	\$2,978.00	\$1,102.00	\$960.00
Child	IP	\$954.59	\$954.59	\$2,131.20	\$1,217.59	\$987.16
All	IP	\$954.59	\$858.00	\$2978.00	\$1,128.00	\$963.00

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. 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 \$858.00 to a maximum of \$2,978.00 with an average rate of \$1,102.00 and a median of \$960.00. The minimum rate for psychiatric child units is \$954.59 and the maximum rate is \$2,131.20. The average rate for psychiatric child units among MCEs who contract for this service is \$1,217.59 with a median of \$987.16.

Table 2: Specialty Per Diem Services Rates

		MH FFS	All Other Payors			
Category	Type		Minimum	Maximum	Average	Median
Specialty Inpatient Psychiatric Service for Children/Adolescents with Neurodevelopmental Disorders Per Diem Payment	IP	\$1,936.21	\$1,936.21	\$1,938.00	\$1,936.32	\$1,936.21
Specialty Inpatient Psychiatric Service for Eating Disorder Per Diem Payment	IP	\$1,500	\$785.00	\$1,500	\$1,400.90	\$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. Please note that MassHealth contracted MCEs, excluding SCO and One Care, are required to adopt the MassHealth FFS specialty inpatient rates as rate floors. The current MassHealth FFS psychiatric hospital/unit per diem rate for Specialty Inpatient Per Diem Rate for Psychiatric Services for Children/Adolescents with Neurodevelopmental Disorders is \$1,936.21 and the per diem rate for Specialty Inpatient Per Diem Rate for Psychiatric Services for Eating Disorders Treatment is \$1,500.

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 \$1,936.21 to a maximum of \$1,938.00 with an average rate of \$1,936.32 and a median of \$1,936.21. The FFS Specialty Inpatient Psychiatric Service for Eating Disorders minimum rate is \$785.00 and the maximum rate is \$1,500. The average rate among MCEs who contract for this service is \$1,400.90, with a median of \$1,500.00.

Table 3: Substance Abuse Treatment Hospital Rates (Per Diem) reported as of January 2025

		MH FFS	All Other Payors
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Age Group	Type		Minimum	Maximum	Average	Median
All	SUD	\$908.35	\$738.00	\$2,240.00	\$1,036.00	\$908.00

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 \$738.00 to a maximum of \$2,240.00, with an average for all MassHealth MCEs of \$1,036.00 and a median of \$908.00.

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

Sincerely,



Mike Levine

cc: Kiame Mahaniah, MD, MBA