



MassHealth
Managed Care Entity Bulletin 55
March 2021

TO: Accountable Care Partnership Plans and Managed Care Organizations Participating in MassHealth and the MassHealth Behavioral Health Vendor

FROM: Daniel Tsai, Assistant Secretary for MassHealth 

RE: **Temporary Incremental Rate Increase for Inpatient Hospitals Accepting COVID-Positive MassHealth Members for Inpatient Mental Health Services**

Applicable Managed Care Entities and PACE Organizations

- Accountable Care Partnership Plans (ACPPs)
- Managed Care Organizations (MCOs)
- MassHealth's behavioral health vendor
- One Care Plans
- Senior Care Organizations (SCOs)
- Program of All-inclusive Care for the Elderly (PACE) Organizations

Overview

In light of the ongoing Governor's Declaration of a State of Emergency, and to address increased costs associated with the COVID-19 response, MassHealth is directing temporary rate increases to Department of Mental Health (DMH)-licensed inpatient psychiatric providers meeting specific eligibility criteria, as set forth in this bulletin. These directed payments will ensure that providers receive crucial funding for serving members enrolled in managed care.

Through this bulletin, MassHealth is directing managed care organizations (MCOs), accountable care partnership plans (ACPPs), and the MassHealth behavioral health vendor (MBHP) (collectively, "managed care plans") to temporarily increase payments to providers designated as Tier 1 or Tier 2 by DMH as set forth in this bulletin.

This bulletin does not apply to One Care plans, senior care organizations (SCOs), or Program of All-inclusive Care for the Elderly (PACE) organizations.

Temporary Incremental Rate Increase for Inpatient Hospitals Accepting COVID-Positive MassHealth Members for Inpatient Mental Health Services and Administratively Necessary Day Services

MassHealth is directing managed care plans to temporarily increase payment rates to DMH-licensed psychiatric hospitals and all units with DMH-licensed beds within applicable acute inpatient hospitals (AIHs) or Chronic Disease Rehabilitation Hospitals (CDRHs) (collectively, "hospitals") that have received Tier 1 or Tier 2 designation by DMH in accordance with DMH

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bulletin #20-05R. MassHealth will notify the plans of the hospitals that have been designated by DMH as Tier 1 and Tier 2 providers and that have met any other DMH requirements for eligibility.

For those Tier 1 and Tier 2 hospitals that have admitted COVID-19-positive MassHealth members for inpatient mental health services as set forth in this bulletin, the managed care plan must apply a \$1,050 per diem absolute increase to its current contracted rates with eligible providers for up to the first 14 days of an eligible MassHealth member's stay. The \$1,050 per diem increase applies for those dates of service on which a hospital provides inpatient mental health services or administratively necessary day services immediately following inpatient mental health services provided to a MassHealth member.

Managed care plans must apply the absolute increase to the plan's current contracted rates with eligible providers, regardless of whether those rates are the same as MassHealth's fee-for-service rates. If a managed care plan has sub-capitated or Alternative Payment Methodology (APM) arrangements with providers, the sub-capitated or APM payments to providers should be increased by the equivalent of the rate increases that would be required for fee-for-service payments. Managed care plans may not subject the required rate increases to any withhold arrangement with providers; the plans must ensure that providers receive the full rate increases. MassHealth will amend the plans' contracts to reflect these rate increase requirements.

Tier 2 hospital rate increases apply when:

1. The hospital admitted the member into a DMH-licensed bed for the primary purpose of rendering inpatient mental health services;
2. The member is confirmed to have been positive for SARS-CoV-2 at the time of admission to the DMH-licensed bed based on a SARS-CoV-2 Molecular Diagnostic test or an FDA-approved rapid antigen test administered before admission or within 96 hours after admission; and
3. The member is not suspected to have become COVID-19-positive from exposure occurring within the admitting hospital or from interactions with any member of the hospital's staff or other currently COVID-19-positive patients at the hospital.

Tier 1 hospital rate increases apply when:

1. The hospital admitted the member into a DMH-licensed bed for the primary purpose of rendering inpatient mental health services;
2. The member was admitted with negative or pending test results, and is later confirmed to be positive for SARS-CoV-2 based on a SARS-CoV-2 Molecular Diagnostic test or an FDA-approved rapid antigen test administered before admission or within 96 hours after admission;
3. The member is not suspected to have become COVID-19-positive from exposure occurring within the admitting hospital or from interactions with any member of the hospital's staff or other currently COVID-positive patients at the hospital; and
4. The hospital was unable to transfer the member to a designated Tier 2 hospital.

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Effective Dates for Temporary Rate Increases

The temporary rate increases described in this bulletin will be effective for dates of service from January 1, 2021, through 30 days following the expiration of the Governor's March 10, 2020, Declaration of a State of Emergency within the Commonwealth due to the COVID-19 pandemic.

Additional Requirements for Temporary Rate Increases

Managed care plans shall reflect the specified rate increases described in this bulletin in all encounter file claim paid amounts. Managed care plans shall provide reporting on spend attributed to the rate increase requirements described in this bulletin in a form and format specified by MassHealth. At MassHealth's direction, managed care plans shall recoup payments made under authority of this bulletin from network hospitals that are found to be out of compliance with the DMH Infection Control Competencies/Standards for Tier 1 or Tier 2 providers or with other applicable DMH or MassHealth requirements.

MassHealth Website

This bulletin is available on the [MassHealth Provider Bulletins](#) web page.

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Questions

If you have questions about the information in this bulletin, please contact the MassHealth Customer Service Center at (800) 841-2900, email your inquiry to providersupport@mahealth.net, or fax your inquiry to (617) 988-8974.