

Notice of MaineCare Reimbursement Methodology Change

AGENCY: Department of Health and Human Services, Office of MaineCare Services

SERVICES INCLUDED: Chapter 101, MaineCare Benefits Manual, Section 45, Hospital Services

NATURE OF PROPOSED CHANGES: Effective July 1, 2023, the Department will pay distinct psychiatric unit and distinct substance use disorder (SUD) units as outlined below. This reimbursement methodology shall apply for members whose From Date of service is on or after July 1, 2023. Claims paid under this methodology do not include graduate medical education costs, and will not be subject to cost settlement, with the exception of capital costs prior to July 1, 2025. The methodology shall be as follows:

MS-DRG Adjusted Payment

The Department has adopted the Medicare MS-DRG and length of stay factors as specified in the distinct psychiatric unit and distinct SUD unit reimbursement schedule which is posted on the Department's [website](#). Per diem base rates were calculated to result in total reimbursement equal to one hundred percent (100%) of the costs of such discharges in the aggregate across all hospitals with distinct psychiatric units and distinct SUD units, utilizing 2022 data, when adjusted for MS-DRG relative weights and length of stay factor.

The Department will calculate reimbursement for covered inpatient stays in these distinct units using the following formula:

Per diem base rate (determined by whether the MS-DRG is a psychiatric or SUD MS-DRG) multiplied by the applicable MS-DRG relative weight multiplied by the applicable length of stay factor.

Per diem base rates for psychiatric MS-DRGs differ for adults aged nineteen (19) and older and youth aged eighteen (18) and younger, reflecting the significant difference in average costs observed in hospitals' 2021 and 2022 cost report data for these populations. The per diem base rate for SUD MS-DRGs will remain consistent regardless of member's age.

Per diem base rates will be inflated annually.

Supplemental Payment for Certain Distinct Psychiatric Units

Effective through June 30, 2025, hospitals that have distinct psychiatric units, are located in zip codes that CMS designates as "super rural," meaning they are in the bottom quartile of nonmetropolitan zip codes by population density, and also have a designation by the Health Resources and Services Administration (HRSA) as a High Needs Geographic Health Professional Shortage Area (HPSA) for mental health are eligible to receive a yearly supplemental payment in the amount of eight hundred and seventy-five thousand dollars \$875,000.

This supplemental payment will be distributed in equal payments in May and November.

This supplemental payment is not subject to cost settlement.

REASON FOR PROPOSED CHANGES: All changes are pursuant to P.L. 2021 Ch. 639, *An Act to Codify MaineCare Rate System Reform* and P.L. 2023 Ch. 3, *An Act to Make Supplemental*

Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and to Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2023.

ESTIMATE OF ANY EXPECTED INCREASE OR DECREASE IN ANNUAL AGGREGATE EXPENDITURES: The Department anticipates that this change will result in an increase of \$4,352,912 in federal fiscal year 2023 which includes \$3,316,932 in federal funds and \$1,035,980 in state funds, and will cost \$18,333,918 in federal fiscal year 2024 which includes \$13,682,071 in federal funds and \$4,651,847 in state funds.

ACCESS TO PROPOSED CHANGES AND COMMENTS TO PROPOSED CHANGES: The public may review the proposed methodology changes and written comments at any Maine DHHS office in every Maine county. To find out where the Maine DHHS offices are located, call 1-800-452-1926. The Department will hold a hearing for the proposed rulemaking and will be publishing a notice which includes information on the hearing date and location.

CONTACT INFORMATION

FOR RECEIPT OF COMMENTS:

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See <http://www.maine.gov/dhhs/oms/rules/index.shtml> for rules and related rulemaking documents.