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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 08-013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

June 5, 2018

Marylou Sudders, Secretary
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, Massachusetts 02108

Dear Secretary Sudders:

We are pleased to enclose a copy of approved Massachusetts State Plan Amendment (SPA) No. 08-013 submitted to CMS on June 30, 2008. This SPA was submitted to revise your approved Title XIX State plan to update the coverage provisions for Targeted Case Management for individuals with mental illness. This SPA has been approved effective April 1, 2008 as requested by the State.

Enclosed are copies of the following approved State plan pages.

- Supplement 1 to Attachment 3.1-A, pages 1e, 1f, 3a, 3b, 3c, 3d, 3e, and 3f; and
- Supplement 1 to Attachment 3.1-B, pages 1e, 1f, 1g, 3a, 3b, 3c, 3d, 3e, and 3f.

If you have any questions regarding this matter you may contact Julie McCarthy at (617) 565-1244 or by e-mail at Julie.McCarthy@cms.hhs.gov.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure/s

Cc (via e-mail): Daniel Tsai, Assistant Secretary for MassHealth, Medicaid Director
Kaela Konefal, Federal Authority Policy Analyst/State Plan Coordinator



Division of Medicaid and Children's Health Operations / Boston Regional Office

June 5, 2018

Marylou Sudders, Secretary
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, Massachusetts 02108

Dear Secretary Sudders:

This letter is being sent as a companion to our approval of your State Plan Amendment (SPA) No. 08-013, approved on June 5, 2018. During our processing of SPA 08-013, we also reviewed the reimbursement provisions for services that appear on the submitted pages. Based on that review, we have determined that the reimbursement provisions for Item 8.q. (Case Management Services) are not consistent with Medicaid statutory and regulatory requirements as described below. Additional information is required.

1. Please describe the source of the non-federal share of the Medicaid payment to Targeted Case Management (TCM) providers. If there are different sources of funding dependent on whether or not the services are provided by private entities or State government agencies, please indicate as such.
2. Attachment 4.19-B, page 2A, Item 8.q.V – Case Management for the Severely Mentally Disabled:
 - a. The approved plan page indicates a statewide average rate, based on retrospective cost, approved in SPA No. 94-17.
 - i. To the extent that the rate methodologies have changed since 1994, please submit a State plan amendment to describe the manner in which payment rates to providers are set, and to update the language around the target group that was approved in SPA No. 08-013 (*e.g.*, case management for individuals with mental illness).
 - ii. Please provide information on how the rates were set including a sample rate calculation.
 - b. The use of government agency certified public expenditures (CPE) would likely indicate a need for CPE cost protocols in the State plan for those particular TCM populations. The State already uses a number of CPE methodologies for a variety of different services, so CMS advises that the State use similar protocols if it is determined to be necessary through the State's review of their payment methods.

- i. Is the State financing these TCM services through the use of CPEs?
- ii. If yes:
 1. Please provide a sample cost report.
 2. Please show how the cost report complies with the following:
 - a. 42 CFR 430.10, written in a comprehensive manner and containing all the information necessary for CMS to determine whether the State plan can be approved to serve as the basis for Federal Financial Participation (FFP); and
 - b. 42 CFR 433.51(b) regarding the direct appropriation of funding to the State Medicaid agency.
 - c. In the case where the beneficiary is in the custody of a State agency, please provide an assurance that those rates do not include room and board. Please include this assurance on the plan page.

The State has 90 days from the date of this letter – until **September 3, 2018** – to address the issues described above. Within this 90-day period, the State may submit a SPA to address these issues or may submit a corrective action plan describing in detail how the State will resolve the issues identified above in a timely manner. Failure to respond within the 90 days will result in the initiation of a formal compliance process. During the 90-day period, CMS will provide any required technical assistance to assist you in resolving these issues.

If you have any questions regarding this matter you may contact Julie McCarthy at (617) 565-1244 or by e-mail at Julie.McCarthy@cms.hhs.gov. We look forward to working with you on these issues.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Cc (via e-mail): Daniel Tsai, Assistant Secretary for MassHealth, Medicaid Director
Kaela Konefal, Federal Authority Policy Analyst/State Plan Coordinator

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER:

08-013

2. STATE

MA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

04/01/08

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 U.S.C. 1396d(a)(25), 1396n(g), 1396a(a)(43), 1396d(r),
1396a(a)(10), 42 CFR 431, 440 and 441

7. FEDERAL BUDGET IMPACT:

a. FFY08 \$ 00.00

b. FFY09 \$ 00.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supp. 1 to Att. 3.1-A pages 1e, 1f

Supp. 1 to Att. 3.1-A 3a, 3b, 3c, 3d, and 3e, 3f (NEW)

Supp. 1 to Att. 3.1-B 3a, 3b, 3c, 3d, and 3e, 3f (NEW)

Supp. 1 to Att. 3.1-B pages 1e, 1f, 1g

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supp. 1 to Att. 3.1-A 1e, 1f

Supp. 1 to Att. 3.1-B 1e 1f, 1g

10. SUBJECT OF AMENDMENT:

Targeted Case Management Services for individuals with mental illness

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not required under

42 CFR 430.12(b)(2)(ii)

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/s/

13. TYPED NAME:

JudyAnn Bigby, M.D.

14. TITLE:

Secretary

15. DATE SUBMITTED:

06/30/08

16. RETURN TO:

Michael P. Coleman

State Plan Coordinator

Office of Medicaid

Executive Office of Health and Human Services

One Ashburton Place, 11th Floor

Boston, MA 02108

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 06/30/2008

18. DATE APPROVED: 06/05/2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/2008

20. SIGNATURE OF REGIONAL OFFICIAL: /s/

21. TYPED NAME: Richard R. McGreal

22. TITLE: Associate Regional Administrator, Division of Medicaid &
Children's Health Operations, Boston, MA

23. REMARKS:

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Amount, Duration, and Scope of Medical
And Remedial Care and Services Provided to the Categorically Needy**

Reserved

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Amount, Duration, and Scope of Medical
And Remedial Care and Services Provided to the Categorically Needy**

Reserved

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups**

1. Target Group

To be eligible for this target group, an individual must meet the following criteria:

Clinical Criteria

An individual who is 19 year of age or older must: have a mental illness, as determined by the Department of Mental Health (DMH) in accordance with DMH regulations and meet the following criteria:

1. Includes a substantial disorder of thought, mood, perception, orientation or memory which grossly impairs judgment, behavior, capacity to recognize reality or the ability to meet the ordinary demands of life;
2. Has lasted or is expected to last at least one year;
3. Has resulted in functional impairment that substantially interferes with or limits the performance of one or more major life activities, and is expected to do so in the succeeding year; and
4. Meets diagnostic criteria specified within the current edition of Diagnostic and Statistical Manual of Mental Disorders, which indicates that the individual has a serious, long term mental illness that is not based on symptoms primarily caused by substance related disorders, mental retardation or organic disorders due to a general medical condition not elsewhere classified.

An individual who is under 19 years of age must have a mental illness as determined by DMH which meet the following criteria:

1. Has lasted, or is expected to last, at least one year;
2. Has resulted in functional impairment that substantially interferes with or limits the child's role or functioning in family, school or community activities; and
3. Meets diagnostic criteria specified within the current edition of the Diagnostic and Statistical Manual of Mental Disorders, but is not solely within one or more of the following categories:
 - a. Developmental disorders usually first diagnosed in infancy, childhood or adolescence, such as mental retardation;
 - b. Cognitive disorders, including delirium, dementia or amnesia;
 - c. Organic disorders due to a general medical condition not elsewhere classified;
or
 - d. Substance-related disorders.

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups

☒ Target group includes individuals transitioning to a community setting and case-management services will be made available for up to 180 consecutive days of the covered stay in the medical institution. The target group does not include individuals between ages 22 and 64 who are in Institutions for Mental Disease or individuals who are inmates of public institutions. (State Medicaid Directors Letter (SMDL), July 25, 2000)

2. Areas of state in which services will be provided:

- ☒ Entire state.
- ☐ Only in the following geographic areas (authority of Section 1915 (g) (1) of the Act is invoked to provide services less than statewide)

3. Comparability of services

- ☐ Services are provided in accordance with Section 1902 (a) (10) (B) of the Act.
- ☒ Services are not comparable in the amount, duration, and scope. Authority of Section 1915 (g) (1) of the Act is invoked to provide services without regard to the requirements of Section 1902 (a) (10) (B) of the Act.

4. Definition of services:

Case management services are services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Case Management includes the following assistance:

Assessment and reassessment of individual needs to determine the need for any medical, educational, social or other services. Reassessments are conducted at least annually, or more frequently if necessary, to address changes in an individual's condition. These assessment activities include:

- Taking client history; and
- Identifying the individual's needs and completing related documentation; and gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the individual.

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups**

Development (and periodic revision) of a specific care plan that:

- Is based on the information collected through the assessment;
- Specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
- Includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
- Identifies a course of action to respond to the assessed needs of the eligible individual.

Referral and related activities:

- To help an eligible individual obtain needed services including activities that help link an individual with:
 - Medical, social, educational providers; or
 - Other programs and services that are capable of providing needed services, to address identified needs and achieve goals specified in the care plan, such as making referrals to providers for needed services and scheduling appointments for the individual.

Monitoring and follow-up activities are conducted at least annually, or more frequently as necessary, to adequately address the needs of the eligible individual, and care plan services may be reevaluated at any time. These Monitoring and follow-up activities include:

- Activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the individual's needs, and which may be with the individual, family members, providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
 - Services are being furnished in accordance with the individual's care plan;
 - Services in the care plan are adequate; and
 - There are changes in the needs or status of the individual, and if so, making necessary adjustments in the care plan and service arrangements with providers.

Case management may include contacts with non-eligible individuals that are directly related to identifying the needs and supports for helping the eligible individual to access services, identifying needs and supports to assist the eligible individual in obtaining services, providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs.

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups

5. Qualifications of providers:

The Department of Mental Health (DMH) has been designated to serve as the exclusive source of case management services with respect to the target group. Case management services will be provided by qualified personnel hired into state positions in the Human Services Coordinator series. Qualified personnel must have demonstrated applicable education and/or professional work experience with the target population.

6. Freedom of choice:

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a) (23) of the Act.

- A. Eligible recipients will have free choice of any qualified Medicaid provider of case management services within the specified geographic area identified in this plan.
- B. Eligible recipients will have free choice of the providers of any qualified Medicaid providers of other medical care under the plan.

Freedom of Choice Exception:

- ☒ Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services. Consistent with 42 CFR 441.18(b), Massachusetts designates the Department of Mental Health as the provider of services covered under this section of the State Plan.

7. Access to Services:

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups

The State assures that:

- Case management services will not be used to restrict an individual's access to other services under the plan;
- Individuals will not be compelled to receive case management services, condition receipt of case management services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

8. Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management the following: the name of the individual; dates of the case management services; the name of the provider agency (if relevant) and the person providing the case management service; the nature, content, and whether goals specified in the care plan have been achieved; whether the individual has declined services in the care plan; the need for, and occurrences of, coordination with other case managers; the timeline for obtaining needed services; and a timeline for reevaluation of the plan.

9. Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted care management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

10. Limitations:

Case Management does not include the following:

- Activities not consistent with the definition of case management services under section 6052 of the Deficit Reduction Act;
- The direct delivery of an underlying medical, educational, social, foster care or other service to which an eligible individual has been referred; and
- Activities for which third parties are liable to pay as described in 42 USC 1396n(4)(A)

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Categorically Needy Groups**

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Services: General Provisions**

Reserved

State Plan under Title XIX of the Social Security Act

State: Massachusetts

Services: General Provisions

Reserved

State Plan under Title XIX of the Social Security Act

State: Massachusetts

Services: General Provisions

Reserved

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
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**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Medically Needy Groups**

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- Activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the individual's needs, and which may be with the individual, family members, providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
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State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Medically Needy Groups

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6. Freedom of choice:

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a) (23) of the Act.

- A. Eligible recipients will have free choice of any qualified Medicaid provider of case management services within the specified geographic area identified in this plan.
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Freedom of Choice Exception:

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7. Access to Services:

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Medically Needy Groups

The State assures that:

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- Individuals will not be compelled to receive case management services, condition receipt of case management services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

8. Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management the following: the name of the individual; dates of the case management services; the name of the provider agency (if relevant) and the person providing the case management service; the nature, content, and whether goals specified in the care plan have been achieved; whether the individual has declined services in the care plan; the need for, and occurrences of, coordination with other case managers; the timeline for obtaining needed services; and a timeline for reevaluation of the plan.

9. Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted care management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

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Case Management does not include the following:

- Activities not consistent with the definition of case management services under section 6052 of the Deficit Reduction Act;
- The direct delivery of an underlying medical, educational, social, foster care or other service to which an eligible individual has been referred; and
- Activities for which third parties are liable to pay as described in 42 USC 1396n(4)(A)

**State Plan under Title XIX of the Social Security Act
State: Massachusetts
Case Management Services Provided to the Medically Needy Groups**

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))