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State/Territory Name: MA

State Plan Amendment (SPA) #: 13-012

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
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



MAY 09 2014

John Polanowicz, Secretary
Executive Office of Health and Human Services
State of Massachusetts
One Ashburton Place, Room 1109
Boston, MA 02108

RE: Massachusetts 13-012

Dear Mr. Polanowicz:

We have reviewed the proposed amendment to Attachments 4.19-A (2b), of your Medicaid State plan submitted under transmittal number (TN) 13-012. This amendment revises the reimbursement methodology for chronic disease and rehabilitation (CDR) services. Specifically, it establishes a new rate for CDR hospitals that serve solely children and adolescents with complex acute rehabilitation and chronic needs.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447. We are pleased to inform you that Medicaid State plan amendment 13-012 is approved effective July 1, 2013. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

Cindy Mann
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 013-012	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 July 1, 2013	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.250 et seq.	7. FEDERAL BUDGET IMPACT: a. FFY 2013 \$ 337,500 b. FFY 2014 \$ 1,350,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A (2a), page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same	

10. SUBJECT OF AMENDMENT:

Chronic Disease and Rehabilitation Hospital Services.

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. SIGN _____ CY OFFICIAL:

13. TYPE

John Polakowicz

14. TITLE:

Secretary

15. DATE SUBMITTED:

09/30/13

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:

18. DATE APPROVED:

MAY 09 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **JUL 01 2013**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt CMCS

23. REMARKS:

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Methods for Establishing Payment Rates – Privately Owned
Chronic Disease and Rehabilitation Inpatient Hospital Services

- i. excluded. Balloon payments are those in which the final payment on a partially amortized debt is scheduled to be larger than all preceding payments.
- ii. Where there was a change of ownership after July 18, 1984, the basis of the fixed assets used in the determination of depreciation and interest expense is the lower of the acquisition cost to the new owner or the basis allowed for reimbursement purposes to the immediate prior owner. The depreciation expense is calculated using the full useful lives of the assets.
- iii. All costs (including legal fees, accounting, and administrative costs, travel costs, and the costs of feasibility studies) attributable to the negotiation or settlement of the sale or purchase of any capital asset after July 18, 1984 (by acquisition or merger), for which payment has previously been made by any payer, and which have been included in any portion of prior years' rates, are subtracted from capital costs.

5. Effective April 1, 2009, Per Diem Rate 1 is updated by a 4.3% increase.

6. Effective April 1, 2010, Per Diem Rate 1 is updated by a 4% increase.

7. Effective May 1, 2011, Per Diem Rate 1 is updated by a 4% increase

8. Effective October 1, 2012, Per Diem Rate 1 is updated by a 3% increase

B. Per Diem Rate 2: Per Diem Rate 2 is determined by averaging the current year payment rates under Section III of this attachment for Chronic Disease and Rehabilitation Hospitals identified by the MassHealth program as having similar characteristics of treatment and populations. The Hospitals used to calculate the payment are: Braintree Rehabilitation Hospital, Franciscan Hospital for Children, Radius Specialty Hospital, New Bedford Rehabilitation, New England Sinai Hospital, Kindred Hospital Northeast-Stoughton, Kindred Hospital Park View, Spaulding Hospital-North Shore, Spaulding Rehabilitation-Boston and Spaulding Hospital-Cambridge.

D. Inpatient Per Diem Rate for Hospitals that Serve Solely Children and Adolescents. In accordance with Section 271 of Chapter 224 of the Acts of 2012, the inpatient per diem rate for hospitals that provide services solely to children and adolescents is derived by applying a factor of 1.5 times the hospital's rate year 2012 inpatient per diem rate.

Such hospitals will be paid for Administrative Days using an Administrative Day Per-diem Rate (AD Rate) as described in Section III (C) of this attachment.