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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 13-016

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

September 19, 2014

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

Dear Mr. Polanowicz:

We are pleased to inform you that Massachusetts State Plan Amendment (SPA) No. MA 13-016, submitted to my office on September 27, 2013, was approved on September 19, 2014. This SPA was submitted in anticipation of the approval of MA 11-004. This SPA seeks to revise the payment rates for outpatient psychiatric hospital services.

A Request for Additional Information was submitted on November 27, 2013, and the State officially responded on September 5, 2014. In the response, the State sufficiently answered all of the questions. The effective date of this SPA is August 27, 2013.

Changes are reflected on the following page of your approved State Plan:

- Attachment 4.19-B (3)

If you have any questions regarding this matter you may contact Julie McCarthy at (617) 565-1244 or Crystal Francis at (617) 565-0989.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure(s)

cc: Kristin Thorn, Medicaid Director
Michael Coleman, State Plan Coordinator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 013-016	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 August 27, 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 USC 1396a (a) (13) ; 42 USC 1315; 42 CFR Part 447; 42CFR 440.20	7. FEDERAL BUDGET IMPACT: a. FFY 2013 \$ 800 b. FFY 2014 \$ 10,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B (3), page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same	

10. SUBJECT OF AMENDMENT:

Rates of Payment for Private Psychiatric Hospital Outpatient Services

11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Not required under 42 CFR 430.12(b)(2)(ii)
12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/	16. RETURN TO:	
13. TYPED NAME: John Polanowicz	Michael P. Coleman State Plan Coordinator Office of Medicaid Executive Office of Health and Human Services One Ashburton Place, 11th Floor Boston, MA 02108	
14. TITLE: Secretary		
15. DATE SUBMITTED: 09/30/13		

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 09/30/2013	18. DATE APPROVED: 09/19/2014
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 08/27/2013	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Richard R. McGreal	22. TITLE: Associate Regional Administrator Boston Regional Office
23. REMARKS:	

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

Methods Used to Determine Rates of Payment for Private Psychiatric Hospital Outpatient Services

1. Outpatient private psychiatric hospital services are services provided to members on an ambulatory basis when rendered on-site in a private psychiatric Hospital Outpatient Department, licensed by the Department of Mental Health (DMH), pursuant to M.G.L.c. 19, §19.

Outpatient services are paid utilizing a hospital specific outpatient cost-to-charge ratio for outpatient services, derived from the FY 2008 HCF-403 cost reports filed with the Division of Health Care Finance and Policy ("DHCFP"). The outpatient Cost-to-Charge Ratio is a fixed percentage that is applied to a Hospital's Usual and Customary Charges for Outpatient Services based on charges filed with DHCFP as of July 1, 2008. Payment for a particular Outpatient Service shall be equal to the product of the Cost-to-Charge Ratio times the Hospital's Usual and Customary Charge. Any such payment shall not exceed the Hospital's Usual and Customary Charge.

For any newly operating psychiatric hospital outpatient department for which historical cost and charge information used to establish standard MassHealth outpatient psychiatric hospital rates is not available, MassHealth pays using the median of the cost-to-charge ratios for the other private psychiatric hospitals in Massachusetts that provide outpatient care. The median cost-to-charge ratio is derived by calculating the midpoint of the hospitals that provide outpatient services.

2. Outpatient substance abuse hospital services are services provided to members on an ambulatory basis when rendered on-site in a substance abuse hospital's outpatient department, licensed by the Department of Public Health (DPH), Division of Health Care Quality, pursuant to regulations at 105 CMR 130.00 and M.G.L.c. 111, §§ 51-56.

The substance abuse treatment hospital will be paid for outpatient substance abuse services using the hospital outpatient Cost-To-Charge Ratio for outpatient services, derived from the FY 2008 HCF-403 cost reports filed with the Division of Health Care Finance and Policy. The outpatient Cost-To-Charge Ratio for HRY 2010-2011 is 66.58%