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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 14-0023

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

April 4, 2016

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. 14-023, which was submitted to my office on December 31, 2014. This SPA was submitted to revise your approved Title XIX State plan to describe the Rate Year 2015 payment methodology for psychiatric hospital outpatient services. This SPA has been approved effective October 1, 2014.

Enclosed are copies of the following approved State plan pages.

- Attachment 4.19-B(3), page 1.

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: Daniel Tsai, Assistant Secretary for MassHealth, Medicaid Director
Daniel Cohen, State Plan Coordinator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 014-023	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 October 1, 2014	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <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 (<i>Separate Transmittal for each amendment</i>)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 USC 1396a (a) (13); 42 CFR Part 447; 42CFR 440.20	7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$ 8,000 b. FFY 2016 \$ 8,000	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Same	

10. SUBJECT OF AMENDMENT:

Rates of Payment for Private Psychiatric Hospital Outpatient Services

11. GOVERNOR'S REVIEW (<i>Check One</i>): <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: Michael P. Coleman State Plan Coordinator Office of Medicaid Executive Office of Health and Human Services One Ashburton Place, 11th Floor Boston, MA 02108	
13. TYPED NAME: John Polanowicz		
14. TITLE: Secretary		
15. DATE SUBMITTED: 12/30/14		

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: Date Received: 12/31/2014	18. DATE APPROVED: Date Approved: 04/04/2016
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: Effective Date: 10/01/2014	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****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 the Center for Health Information and Analysis as of July 1, 2014. 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 is 66.58%.