

Table of Contents

State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: 18-0013

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

November 7, 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. 18-013 submitted to CMS on September 28, 2018. This SPA was submitted in response to the companion letters sent with the approvals of SPA Nos. 08-008, 08-012 and 08-013 to revise your approved Title XIX State plan to update the payment methodologies for targeted case management (TCM) services provided by the Department of Mental Health and the Department of Developmental Services, and TCM services provided to individuals diagnosed with AIDS and living in congregate housing.

This SPA was approved on November 7, 2018, effective July 1, 2018.

Enclosed are copies of the following State plan pages.

- Attachment 4.19-B, pages 2A, 2Ai, 2Aii, and 2A-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
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

1 8 — 0 1 3

2. STATE

MA

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

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

4. PROPOSED EFFECTIVE DATE

07/01/18

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 CFR Part 447

7. FEDERAL BUDGET IMPACT

a. FFY 2018 \$ 0

b. FFY 2019 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B page 2A-00, 2Ai, 2Aii
Attachment 4.19-B page 2A-01

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

Attachment 4.19-B page 2A-00
Attachment 4.19-B page 2A-01

10. SUBJECT OF AMENDMENT

Targeted Case Management (TCM) Rates

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)(i)

12. SIGNATURE OF STATE AGENCY OFFICIAL

/s/

13. TYPED NAME

Marylou Sudders

14. TITLE

Secretary

15. DATE SUBMITTED

09/28/2018

16. RETURN TO

Kaela Konefal

State Plan Coordinator

Executive Office of Health and Human Services

Office of Medicaid

One Ashburton Place, 11th Floor

Boston, MA 02108

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED 09/28/2018

18. DATE APPROVED 11/07/2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL 07/01/2018

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

SPA MA 18-013

State Plan under Title XIX of the Social Security Act
State: MassachusettsMethods and Standards for Establishing Payment Rates – Other Types of Care (cont.)

q. Case Management Services

I. Reimbursement for Targeted Case Management services provided by the Department of Mental Health (DMH) for Medicaid enrolled members are claimed as certified public expenditures (CPE) and reflect actual costs. Claims are processed through MMIS using interim cost reimbursement rates that are based on the final cost reimbursement rates of the most recent rate period with established final cost reimbursement rates. Consistent with 45 CFR 95.4 once final cost reimbursement rates are calculated after state fiscal year-end, the claims submitted during the rate period at the interim rates are reconciled with the final rates to determine a cost settlement for the rate period.

a) Definitions and Cost Reimbursement Methodology:

1. Rate Period - The state fiscal year beginning July 1 and ending June 30 of each year.
2. Interim Rate Methodology - The interim cost reimbursement rate is based on the final cost reimbursement rate of the most recent rate period with established final cost reimbursement rate.
3. Final Rate Methodology - The final cost reimbursement rate is determined each rate period based on allowable actual expenditures divided by total units of service.

$$\left[\frac{\text{Agency Expenditures} \div \text{Units of Service}}{\text{Final Reimbursement Rate}} = \right]$$

a. Agency Expenditures include, as applicable:

- i. **Direct costs:** Expenditures paid through the state's accounting system (MMARS) for salary, fringe and other expenses to support case management services provided by state employed case managers.
 - ii. **Indirect costs:** Administrative costs allocated pursuant to an agency specific cost allocation plan.
 - iii. Room and board costs are excluded.
- b. Units of Service - The total units of case management service delivered during the rate period.

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

- c. Rate Petition. Request for approval of rates submitted annually to EOHHS by DMH. Rate petition includes a certification of public expenditures using the CMS approved Certification Statement, and describes the agency’s calculation of costs, and are completed in accordance with the principles and standards for determining costs as described in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Rate petitions submitted are subject to desk review.

4. Cost Settlement

- a. During each rate period claims for reimbursement are processed through MMIS using the interim cost reimbursement rate.
- b. The final cost reimbursement rate is calculated after state fiscal year-end and claims submitted during the rate period at the interim rate are reconciled with the final rate to determine a cost settlement for the rate period. This reconciliation occurs by June 30th of the following fiscal year.
- c. If after cost settlement, an overpayment exists; EOHHS will return the federal share of the overpayment. If an underpayment exists, EOHHS will draw down additional FFP.

II. Reimbursement for Targeted Case Management Services provided by the Department of Developmental Services (DDS) for Medicaid enrolled members are claimed as certified public expenditures (CPE) and reflect actual costs. Claims are processed through MMIS using interim cost reimbursement rates that are based on the final cost reimbursement rates of the most recent rate period with established final cost reimbursement rates. Consistent with 45 CFR 95.4 once final cost reimbursement rates are calculated after state fiscal year-end, the claims submitted during the rate period at the interim rates are reconciled with the final rates to determine a cost settlement for the rate period.

a) Definitions and Cost Reimbursement Methodology:

- 1. Rate Period - The state fiscal year beginning July 1 and ending June 30 of each year.
- 2. Interim Rate Methodology - The interim cost reimbursement rate is based on the final cost reimbursement rate of the most recent rate period with established final cost reimbursement rate.
- 3. Final Rate Methodology - The final cost reimbursement rate is determined each rate period based on allowable actual expenditures divided by total units of service.

$$\left[\frac{\text{Agency Expenditures} \div \text{Units of Service}}{\text{Final Reimbursement Rate}} = \right]$$

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

- a. Agency Expenditures include, as applicable:
 - iv. **Direct costs:** Expenditures paid through the state’s accounting system (MMARS) for salary, fringe and other expenses to support case management services provided by state employed case managers.
 - v. **Indirect costs:** Administrative costs allocated pursuant to an agency specific cost allocation plan.
 - vi. Room and board costs are excluded.
- b. Units of Service - The total units of case management service delivered during the rate period.
- c. Rate Petition. Request for approval of rates submitted annually to EOHHS by DDS. Rate petition includes a certification of public expenditures using the CMS approved Certification Statement, and describes the agency’s calculation of costs, and are completed in accordance with the principles and standards for determining costs as described in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Rate petitions submitted are subject to desk review.

4. Cost Settlement

- a. During each rate period claims for reimbursement are processed through MMIS using the interim cost reimbursement rate.
- b. The final cost reimbursement rate is calculated after state fiscal year-end and claims submitted during the rate period at the interim rate are reconciled with the final rate to determine a cost settlement for the rate period. This reconciliation occurs by June 30th of the following fiscal year.
- c. If after cost settlement, an overpayment exists; EOHHS will return the federal share of the overpayment. If an underpayment exists, EOHHS will draw down additional FFP.

III. Case management for children served by the Department of Social Services — the reimbursement method will be similar to that used for reimbursement under the DMR Home and Community-Based Services Waiver (0064.92). The rate for case management reimbursement will be established on a statewide average based on retrospective costs.

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

Methods and Standards for Establishing Payment Rates – Other Types of Care (cont.)

VIII. Case management for Medicaid recipients Diagnosed with AIDS living in congregate housing (TCM AIDS). The reimbursement method for TCM AIDS is a provider specific 15 minute unit rate that reflects the reasonable and necessary costs for required staff including salaries, taxes, and benefits, and the associated overhead costs. The unit rate is established by the Executive Office of Health and Human Services utilizing the methodology established in regulation at 130 CMR 114.5.4: Rates for Certain Social, Rehabilitation and other Health Care Services. This regulation is published at <http://www.mass.gov/eohhs/docs/eohhs/eohhs-regs/114-5-4.pdf>.

Each TCM AIDS provider’s rate is based on an annual program budget, and delineates costs for services and necessary administrative activities. Rate development for TCM AIDS services includes the collection and review of service data maintained by the provider. Costs for room and board and other unallowable costs are excluded from the rate.

The table below contains the rate used for each provider and the effective dates of the rate.

Provider	Per Unit (15 Minutes)	Effective date
Pine Street Inn	\$2.51	November 1, 2002

Except as otherwise noted in the plan, state developed fee schedules are the same for both governmental and private providers.

IX. Case management for Medicaid recipients who are juveniles committed to the custody of the Department of Youth Services. The reimbursement method will be a monthly rate that reflects the reasonable and necessary costs for required staff including salaries, taxes, and benefits, and the associated overhead costs. The monthly rate is fixed, negotiated, provider specific, and established by contract. The monthly rate is prorated on a daily basis for services provided for less than a month.