

## **Table of Contents**

**State/Territory Name: Massachusetts**

**State Plan Amendment (SPA) #: 20-0031**

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  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

March 19, 2021

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

**RE: Massachusetts State Plan Amendment (SPA) Transmittal Number 20-0031**

Dear Secretary Sudders:

We have reviewed the proposed Massachusetts State Plan Amendment (SPA) to Attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 31, 2020. This plan amendment updated the methods and standards used to revise the payment rates for acute outpatient psychiatric and substance abuse outpatient hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

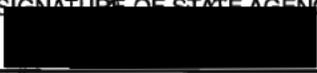
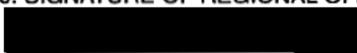
If you have any additional questions or need further assistance, please contact James Moreth at 206-615-2043 or [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

For  
Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <u>20 - 031</u>	2. STATE <u>MA</u>
		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 <u>10/01/20</u>	
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 <u>42 USC 1396a; 42 USC 1396b; 42 CFR Part 447</u>		7. FEDERAL BUDGET IMPACT a. FFY 2021 <u>\$ 0</u> b. FFY 2022 <u>\$ 0</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <u>Attachment 4.19-B(3) page 1</u>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> )  <u>Attachment 4.19-B(3) page 1</u>	
10. SUBJECT OF AMENDMENT  <u>An amendment to rates for psychiatric outpatient hospitals</u>			
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)(i)	
12. SIGNATURE OF STATE AGENCY OFFICIAL 		16. RETURN TO  The Commonwealth of Massachusetts Executive Office of Health and Human Services Office of Medicaid One Ashburton Place, Room 1109 Boston, MA 02108	
13. TYPED NAME <u>Marylou Sudders</u>			
14. TITLE <u>Secretary</u>			
15. DATE SUBMITTED <u>12/31/20</u>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED <u>December 31, 2020</u>		18. DATE APPROVED <u>3/19/21</u>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL <u>October 1, 2020</u>		20. SIGNATURE OF REGIONAL OFFICIAL  For	
21. TYPED NAME <u>Todd McMillion</u>		22. TITLE <u>Director, Division of Reimbursement Review</u>	
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**

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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 an outpatient cost-to-charge ratio for outpatient services. The outpatient Cost-to-Charge Ratio is a fixed percentage that is applied to a Hospital's Usual and Customary Charges for Outpatient Services. 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 based on charges filed with the Center for Health Information and Analysis as of July 1, 2018. The outpatient Cost-To-Charge Ratio is 64.8%.

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 Facility Licensure and Certification, 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 Center for Health Information and Analysis. The outpatient Cost-To-Charge Ratio is 66.58%.