

Table of Contents

State/Territory Name: MA

State Plan Amendment (SPA) #: 22-0002

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



Financial Management Group

May 19, 2023

Mike Levine, Assistant Secretary
The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, Room 1109
Boston, Massachusetts 02108

RE: Massachusetts State Plan Amendment (SPA) Transmittal Number 22-0002

Dear Assistant Secretary Levine:

We have reviewed the proposed State Plan Amendment (SPA) to Attachment 4.19-B of Massachusetts's state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 31st, 2022. This plan amendment updates the rate methodology for community health centers.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1st, 2022. 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 Jerica Bennett at 1-410-786-1167 or jerica.bennett@cms.hhs.gov.

Sincerely,

[Redacted Signature]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 2

2. STATE

M A3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACTTO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

01/01/2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 1396a(a)(13); 42 CFR Part 440 and 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a FFY 22 \$ 51,029,000b FFY 23 \$ 68,226,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B pp. 2-2iii

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B pp. 2-2i

9. SUBJECT OF AMENDMENT

An amendment regarding community health center services

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Marylou Sudders13. TITLE
Secretary14. DATE SUBMITTED
03/31/22

15. RETURN TO

The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, Room 1109
Boston, MA 02108**FOR CMS USE ONLY**16. DATE RECEIVED
03/31/202217. DATE APPROVED
May 19, 2023**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
01/01/2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

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

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

FQHCs/RHCs

- ☒ The payment methodology for FQHCs/RHCs will conform to section 702 of the BIPA 2000 legislation.
- ☒ The payment methodology for FQHCs/RHCs will conform to the BIPA 2000 requirements Prospective Payment System (PPS).
- ☒ The payment methodology for FQHCs/RHCs will conform to the BIPA 2000 requirements for an alternative payment methodology. The payment amount determined under this methodology:
 1. is agreed to by the state and the center or clinic; and
 2. results in payment to the center or clinic of an amount that is at least equal to the PPS payment rate.

PPS Rate Methodology

The state has established individual PPS rates for each FQHC enrolled in the Massachusetts Medicaid program as a community health center. Each FQHC has an individual PPS rate for medical and behavioral health visits based on the FQHC's average total per-visit medical and behavioral health costs from calendar years (CYs) 1999 and 2000. Further, each FQHC that provides dental services also has an individual PPS rate for dental visits based on the FQHC's average total per-visit dental costs from CYs 1999 and 2000.

PPS rates, for medical and behavioral health visits and for dental visits, were adjusted for reasonableness by bounding 1999 and 2000 per-visit costs at the 50th and 75th percentiles of 1999 and 2000 costs reported by existing FQHCs enrolled in the Massachusetts Medicaid program as community health centers. FQHCs that did not provide cost data in 1999 and 2000 have PPS rates established using the mean PPS rate across all FQHCs. The medical and behavioral health PPS rates and dental PPS rates are inflated forward from CY 1999 and 2000 costs using the Medicaid Economic Index (MEI) and are adjusted for changes in scope of services, as further described herein.

Newly created FQHCs, established on or after July 1, 2021, will receive an initial PPS rate equal to the mean medical and behavioral health PPS rate effective at the time of the FQHC's establishment and, as applicable, the mean dental PPS rate effective at the time of the FQHC's establishment. The initial PPS rates will be effective through the end of the FQHC's first full state fiscal year (SFY) of operation (July 1 through June 30 of each year). After the first full SFY in operation, the FQHC's individual PPS rates will be determined based on its reported costs from that first SFY, with per visit costs adjusted for reasonableness to equal not more than the highest PPS rates in effect as of the first day of the FQHC's second SFY in operation, and inflated forward by the MEI. A FQHC that is not newly established, but is newly providing dental services as of July 1, 2021, will be treated as a new FQHC for the purposes of establishing a dental PPS rate.

Managed Care Wrap Payments for FQHCs

In the event that claims payments to an FQHC, including managed care payments, are less than what the FQHC would be paid under its individual PPS rate in the aggregate for its visits in each

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

calendar quarter, the state will pay wrap payments up to the FQHC's individual PPS rate.

Alternative Payment Methodologies

The state pays FQHCs based on an alternative payment methodology (APM) that is agreed to by the FQHCs and is at least equal to their PPS rates. Specifically, the APM ensures that each FQHC is paid, in the aggregate as calculated on a quarterly basis, an amount at least equal to what the FQHC would have received through the FQHC's individual PPS rates for medical and behavioral health visits and for dental visits. The total APM is inclusive of claims-based APM payments and quarterly reconciliation APM payments, for medical and behavioral health visits and related services, and for dental visits.

Medical and Behavioral Health APM

Effective January 1, 2022, the medical and behavioral health claims-based APM payments for medical and behavioral health visits subject to the medical and behavioral health PPS rate consist of the following rate payments:

- The individual medical visit rate is \$216. Payment for obstetrical visits equals 100% of the individual medical visit rate. Payment for medical visits for EPSDT services equals 103% of the individual medical visit rate. Payment for group medical visits equals 20% of the individual medical visit rate. Payment for urgent care visits occurring before 7:00 A.M. or after 4:59 P.M, Monday through Friday, and urgent care visits occurring at any time on Saturday or Sunday, equals 124% of the individual medical visit rate. Payment for individual mental health visits, for both adults and children, equals 100% of the individual medical visit rate.
- The individual behavioral health visit rate is \$140. Payment for group behavioral health visits equals 20% of the individual behavioral health visit rate.
- Behavioral health integration services (BHI) provided in connection with a medical or behavioral health visit are paid at a rate of \$56.98.
- Collaborative care management services (CoCM) provided in connection with a medical or behavioral health visit are paid at a rate of \$124.07.
- Medication treatment management services (MTM) and collaborative drug therapy management services (CDTM) provided in connection with a medical or behavioral health visit are paid at rates of \$52, \$34, and \$24 for the initial 15 minutes with a new patient, the initial 15 minutes with an established patient, and subsequent 15 minute intervals with a new or established patient, respectively.

Each FQHC's total quarterly aggregate medical and behavioral health claims-based APM payments described above are then compared to what the FQHC would have been paid for total medical and behavioral health visits provided in the same calendar quarter under its medical and behavioral health PPS rate. If total aggregate quarterly claims-based APM payments are less than what would have been paid through the medical and behavioral health PPS rate, the FQHC will receive a reconciliation APM payment equal to 100% of the difference for that calendar quarter. The quarterly reconciliation APM payment ensures that the total aggregate quarterly payments to FQHCs via the APM are at least equal to what each FQHC would be paid through their individual PPS rates for medical and behavioral health visits in the calendar quarter. Payment to each FQHC resulting from the medical and behavioral health APM, inclusive of the claims-based APM payment and the quarterly reconciliation APM payment, is at least equal to the payment to the

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

FQHC that would result from the medical and behavioral health PPS rate.

Dental APM

Effective January 1, 2022, the dental claims-based APM payments for dental visits subject to the dental PPS rate consist of the following rate payments:

- Payments for dental services in accordance with the dental rates approved in the State Plan at section j.1 of page 1c of Attachment 4.19-B, plus an FQHC dental enhancement fee rate add-on of \$91 per individual dental visit.

Each FQHC's total quarterly aggregate dental claims-based APM payments described above are then compared to what the FQHC would have been paid for total dental visits provided in the same calendar quarter under its dental PPS rate. If total aggregate quarterly claims-based APM payments are less than what would have been paid through the dental PPS rate, the FQHC will receive a reconciliation APM payment equal to 100% of the difference for that calendar quarter. The quarterly reconciliation APM payment ensures that the total aggregate quarterly payments to FQHCs via the APM are at least equal to what each FQHC would be paid through their individual PPS rates for dental visits in the calendar quarter. Payment to each FQHC resulting from the dental APM, inclusive of the claims-based APM payment and the quarterly reconciliation APM payment, is at least equal to the payment to the FQHC that would result from the dental PPS rate.

Managed Care

Managed care entities (MCE) are required to pay valid claims, including out-of-network claims, submitted by FQHCs for medical and behavioral health visits and, as applicable, dental visits at a rate not less than the medical and behavioral health claims-based APM payments and, as applicable, the dental claims-based APM payments. MCE payments for medical and behavioral health visits and, as applicable, dental visits are included when calculating each FQHC's quarterly reconciliation APM payments to ensure that the total aggregate quarterly payments to FQHCs via the APM are at least equal to what each FQHC would be paid through their individual PPS rates for all medical and behavioral health visits or, as applicable, dental visits occurring in that calendar quarter. The MCEs' actuarially sound capitation rates account for the appropriate claims-based APM payment rates for medical and behavioral health visits and, as applicable, for dental visits.

PPS Adjustments

MEI Adjustments

PPS rates, as described above, are inflated forward annually by the MEI, effective as of January 1 of each calendar year.

Changes in Scope of Services Adjustments

FQHCs that experience a change in their scope of services, including changes in intensity, type, duration, or amount of services or service delivery, that results in a material change in costs per visit may request adjustments to their PPS rates due to such changes in scope of services. A change in scope of services is material if the incremental change in cost per visit attributable to the change in scope of services amounts to at least a 3% change in cost per visit as compared to the FQHC's PPS rate as of the date of the request. Requests for scope of service changes may include cumulative changes that occurred over a period of up to eighteen months. Material changes in scope of services may result in PPS adjustments up to the higher of 10% above the

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

requesting FQHC's PPS rate in effect as of the date of the request or, if available, the 75th percentile of costs reported through the most recent cost reports submitted after January 1, 2021, by all FQHCs as of the date of the request. PPS rates effective January 1, 2022 incorporate changes in scope of services that were implemented on or before December 31, 2020. PPS adjustments due to change in scope of services requests must be approved by EOHHS in order to take effect. Approved PPS adjustments due to a change in scope of services request will be effective beginning the date on which the request is originally submitted.

Time-Limited Supplemental Payments

Supplemental payments are made to FQHCs for which the calendar year 2016 gross margin earned on drugs purchased through the 340B Drug Pricing Program ("340B drugs") is greater than the projected annual impact of the increased per-visit class rate effective October 20, 2017. In total, supplemental payments to each eligible FQHC for the 12-month period beginning with October 2017 will equal the difference between the FQHC's 2016 gross margin earned on 340B drugs and the projected annual impact on the FQHC of the increased per-visit class rate effective October 20, 2017, less any gross margin earned on 340B drugs between October 1, 2017 and February 28, 2018. In total, supplemental payments to each eligible FQHC for the 27-month period beginning with October 2018, and the 12-month periods beginning with January 2021, January 2022, and January 2023 will equal, respectively, 100%, 75%, 50%, and 25% of the FQHC's supplemental payment amount for the 12-month period beginning with October 2017 prior to the reduction based on gross margin earned on 340B drugs between October 1, 2017 and February 28, 2018.