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State/Territory Name: MASSACHUSETTS

State Plan Amendment (SPA) #: MA-26-0006

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Companion Letter
- 3) CMS 179 Form/Summary Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

October 20, 2026

Ryan Schwarz
Medicaid Director and
Assistant Secretary for MassHealth
Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, 10th Floor
Boston, MA 02108

RE: TN 26-0006

Dear Medicaid Director and Assistant Secretary Schwarz:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Massachusetts State Plan Amendment (SPA) to Attachment 4.19-B MA-26-0006, which was submitted to CMS on March 27, 2026. This plan amendment updates the Payment Methodologies for Pre-Release Services.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2026. 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 Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

[Redacted Signature]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

Financial Management Group

October 20, 2026

Ryan Schwarz
Medicaid Director and
Assistant Secretary for MassHealth
Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, 10th Floor
Boston, MA 02108

Re: Massachusetts State Plan Amendment (SPA) 26-0006

Dear Medicaid Director and Assistant Secretary Schwarz:

We are issuing this letter as a companion to the Centers for Medicare & Medicaid Services' (CMS) approval of Massachusetts' State Plan Amendment (SPA) 26-0006. Massachusetts' SPA 26-0006 proposed to add a payment methodology for Targeted Case Management Services for Eligible Juveniles incarcerated in county correctional or Department of Corrections (DOC) facilities. During our review of 26-0006, we identified certain issues with Massachusetts's current state plan, which are the subject of this letter.

UMass Memorial Medical Group practice ACR payment

- 1) In Attachment 4.19-B, page 1.1, while this paragraph was not amended as part of this SPA submission, CMS reviewed previously approved language and has identified a same page issue with the language.
 - a) The payment methodology for the physician, nurse practitioner, physician's assistant or certified registered nurse anesthetist employed by the non-profit UMass Memorial Medical Group practice payment does not comprehensively describe the payment methodology in alignment with 42 CFR 430.10. As currently written the supplemental payment is "the difference between (1) payments to the eligible provider made pursuant to the fee schedule, and (2) the annually calculated average private commercial rate, where the average private commercial rate is derived using the ratio of commercial payments to commercial charges applied to paid Medicaid claims as reported to the MMIS." To ensure the state plan methodology is comprehensive in alignment with 42 CFR 430.10, we request the state of Massachusetts amend the state plan methodology to either be described as a (1) payment up to the average commercial rate (ACR) or (2) payment at the Medicare equivalent of the ACR for determining targeted enhanced payment to physicians/practitioners affiliated or employed by academic medical centers. When the payment methodology is updated, a new ACR demonstration must be submitted with the SPA for review by CMS to demonstrate compliance with Section 1902(a)(30)(A) of the Social Security Act (the Act).

Case management for Medicaid Recipients who are juveniles committed to the custody of the Department of Youth Services

- 2) In Attachment 4.19-B, page 2A-1, while this paragraph was not amended as part of this SPA submission, CMS reviewed previously approved language and has identified a same page issue with the language.
 - a) The payment methodology for the Case management for Medicaid Recipients who are juveniles committed to the custody of the Department of Youth Services does not comprehensively describe the payment methodology in alignment with 42 CFR 430.10. Based on discussions with Massachusetts and language in the current approved methodology, SPAs implementing funding mechanisms based on CPEs must include in their state plans a reimbursement methodology based on incurred costs. To ensure the state plan methodology is comprehensive in alignment with 42 CFR 430.10, we request the state of Massachusetts amend the state plan methodology to include, but may not be limited to, the following:
 - i) An interim payment methodology describing the amounts paid to TCM providers prior to cost reporting and reconciliation
 - ii) A cost identification and allocation methodology, including the allowable direct costs and the applicable cognizant agency indirect cost rate
 - iii) An allocation of costs to the Medicaid program for Medicaid services
 - iv) A detailed cost reconciliation process and, as applicable, settlement procedures
 - v) Timeline including when providers must submit their cost reports to the State; when the State must complete its reconciliation (a comparison between interim payment and final cost), including settlement procedures; and, when the State must settle with providers

We are requesting your response on or before January 18, 2027, which is within 90 days from the date of this companion letter.

If you have any additional questions or need further assistance, please contact Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

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

1. TRANSMITTAL NUMBER

2 6 — 0 0 0 6

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

01/01/2026

5. FEDERAL STATUTE/REGULATION CITATION
Section 5121 of the Consolidated Appropriations Act, 2023 and
42 CFR Part 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 26 \$ 40,000b. FFY 27 \$ 54,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B p. 1.1
Attachment 4.19-B p. 2A-3 (NEW)8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

An amendment to the payment methodologies for pre-release services

10. GOVERNOR'S REVIEW (Check One)

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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)

NCY OFFICIAL

12. TYPED NAME

Mike Levine

13. TITLE

Undersecretary for MassHealth

14. DATE SUBMITTED

03/27/26

15. RETURN TO

Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
One Ashburton Place, 10th Floor
Boston, MA 02108**FOR CMS USE ONLY**

16. DATE RECEIVED

March 27, 2026

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2026

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

- d. Physician, Certified Nurse-Midwife, Certified Pediatric and Family Nurse Practitioner, and other Midlevel Practitioner services —

1. Medicine: The fee-for-service rates for physician, certified nurse-midwife, certified pediatric and family nurse practitioner, and other midlevel practitioner medicine services are effective for services provided on or after January 1, 2026. All rates are published on <https://www.mass.gov/regulations/101-CMR-31700-medicine>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

2. Surgery and Anesthesia: The fee-for-service rates for physician, certified nurse-midwife, certified pediatric and family nurse practitioner, and other midlevel practitioner surgery and anesthesia services are effective for services provided on or after January 1, 2025. All rates are published on <https://www.mass.gov/regulations/101-CMR-31600-surgery-and-anesthesia>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

3. Radiology: The fee-for-service rates for physician, certified nurse-midwife, certified pediatric and family nurse practitioner, and other midlevel practitioner radiology services are effective for services provided on or after January 1, 2025. All rates are published on <https://www.mass.gov/regulations/101-CMR-31800-radiology>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

A physician, nurse practitioner, physician's assistant or certified registered nurse anesthetist employed by the non-profit UMass Memorial Medical Group practice established in accordance with St. 1997, c. 163 to support the purposes of a teaching hospital affiliated with a Commonwealth-owned medical school is eligible to receive an additional payment for physician services provided at such teaching hospital. Such payment will be a percentage, which shall not exceed 100%, of the difference between (1) payments to the eligible provider made pursuant to the fee schedule, and (2) the annually calculated average private commercial rate, where the average private commercial rate is derived using the ratio of commercial payments to commercial charges applied to paid Medicaid claims as reported to the MMIS. Such payment is made annually by the first quarter following the end of the preceding rate year. The payment made for rate year 2006 will take into account amounts attributable to rate years beginning with the effective date of this payment methodology (October 1, 2004).

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

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

(q. Case Management Services, cont'd)

XIII. Reimbursement for Targeted Case Management Services for Eligible Juveniles incarcerated in county correctional or Department of Corrections (DOC) facilities (collectively “adult correctional facilities”).

The fee-for-service rates are effective for services provided on or after January 1, 2026. All rates are published on <https://www.mass.gov/regulations/101-CMR-31700-rates-for-medicine-services>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.