

## **Table of Contents**

**State/Territory Name: Massachusetts**

**State Plan Amendment (SPA) #: 09-010-C**

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**

May 24, 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. 09-010(C) submitted to CMS on September 30, 2009. This SPA was originally submitted as part of SPA No. 09-010, which was subsequently split into three parts. SPA 09-010(C) revises your approved Title XIX State plan to update the reimbursement methodologies for multiple services. This SPA has been approved with the effective dates as outlined on the Addendum to the CMS-179 enclosed herein.

Enclosed are copies of the following approved State plan pages.

- Attachment 4.19-B, pages 1b, 1c, 1d, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n, 1ni, 1n-1, 1p, 1q, 2E, 3, and 3a.

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](mailto:Julie.McCarthy@cms.hhs.gov).

Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

Enclosure/s

Cc (via e-mail): Daniel Tsai, Assistant Secretary for MassHealth, Medicaid Director  
Kaela Konefal, Federal Authority Policy Analyst/State Plan Coordinator

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER: <b>09-010 (C)</b>	2. STATE <b>MA</b>
	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 <b>See addendum for affected pages and their effective dates <del>August 1, 2009</del></b>	
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: 42 USC 1396d(a)(12); 42CFR Part 447; 42CFR 440.120	7. FEDERAL BUDGET IMPACT:  a. FFY 2009 ( <del>\$-.25M</del> )* \$0 b. FFY 2010 ( <del>\$1.6M</del> )* \$0  *does not include new FMAP under stimulus	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B pages 1c, 1d, 1g-1n, 1ni, 1n-1, 1p, 1q, 2E (all new)  <b>Attachment 4.19-B, pages 1b and 3 and 3a</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>Attachment 4.19-B, page 1b, 3 and 3a</b>	
10. SUBJECT OF AMENDMENT:  <b>Antihemophilia factor (AHF) Rates -Other Services</b>		
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Not required under</b> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <b>42 CMR 430.12(b)(2)(ii)</b>		
12. SIGNATURE OF STATE AGENCY OFFICIAL:  <i>JudyAnn Bigby</i> /s/	16. RETURN TO:  <b>Michael P. Coleman State Plan Coordinator Office of Medicaid Executive Office of Health and Human Services One Ashburton Place, 11<sup>th</sup> Floor Boston, MA 02108</b>	
13. TYPED NAME: <b>JudyAnn Bigby, M.D.</b>		
14. TITLE: <b>Secretary</b>		
15. DATE SUBMITTED: <b>09/30/09</b>		
<b>FOR REGIONAL OFFICE USE ONLY</b>		
17. DATE RECEIVED: <b>09/30/2009</b>	18. DATE APPROVED: <b>05/24/2018</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>		
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>See Addendum</b>	20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: <b>Richard R. McGreal</b>	22. TITLE: <b>Associate Regional Administrator, Division of Medicaid and Children's Health Operations, Boston, MA</b>	
23. REMARKS:		

CMS form 179 Addendum for MA SPA 09-010-C

<b>Plan Page</b>	<b>Effective Date</b>
Attachment 4.19-B, Page 1b	3/1/2018
Attachment 4.19-B, Page 1c	1/22/2011
Attachment 4.19-B, Page 1d	6/1/2011
Attachment 4.19-B, Page 1g	1/22/2011
Attachment 4.19-B, Page 1h	7/1/2013
Attachment 4.19-B, Page 1i	8/1/2009
Attachment 4.19-B, Page 1j	8/1/2009
Attachment 4.19-B, Page 1k	8/1/2009
Attachment 4.19-B, Page 1l	9/22/17
Attachment 4.19-B, Page 1m	3/1/18
Attachment 4.19-B, Page 1n	8/1/2009
Attachment 4.19-B, Page 1ni	8/1/2009
Attachment 4.19-B, Page 1n-1	8/1/2009
Attachment 4.19-B, Page 1p	4/1/2010
Attachment 4.19-B, Page 1q	8/1/09
Attachment 4.19-B, Page 2E	3/1/2016
Attachment 4.19-B, Page 3	4/1/2010
Attachment 4.19-B, Page 3a	8/1/09

**State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care**

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- i. Rural health clinics:** See Attachment 4.19-B, page 2 and 2i

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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- j. Dental services (including dentures and prosthetic devices)** —The fee-for-service rates for dental services, other than those provided by dentists who are also oral surgeons and use the Current Procedural Terminology (CPT) codes, are effective for services provided on or after January 22, 2011, and are published on <https://www.mass.gov/regulations/101-CMR-31400-dental-services>. For oral surgeons using CPT codes, see Attachment 4.19-B, section 8.d. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment methodology for dental services supersedes the payment methodology as described in section 8.j on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

---

**k. Physical therapy and related services** —The fee-for-service rates are effective for services provided on or after June 1, 2011. All rates are published on <https://www.mass.gov/regulations/101-CMR-33900-restorative-services>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment methodology for physical therapy and related services supersedes the payment methodology as described in section 8.k on page 1b of Attachment 4.19-B of TN 06-005.

**State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care**

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**1. Prescribed drugs, dentures, prosthetic devices, and eyeglasses (continued)**

2. Dentures: See Attachment 4.19-B, section 8.j on page 1c.

This payment method for dentures supersedes the payment methodology for dentures as described in sections 8.j and 8.l on page 1b of Attachment 4.19-B of TN 06-005.



State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**1. Prescribed drugs, dentures, prosthetic devices, and eyeglasses (continued)**

3. Prosthetic Devices

The fee-for-service rates are effective for services provided on or after July 1, 2013. All rates are published on <https://www.mass.gov/regulations/101-CMR-33400-prostheses-prosthetic-devices-and-orthotic-devices>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for prosthetic devices supersedes the payment methodology for prosthetic devices as described in sections 8.j and 8.l on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**I. Prescribed drugs, dentures, prosthetic devices, and eyeglasses (continued)**

4. Eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select – based on contract price established through competitive bidding or otherwise in accordance with section 1915(a)(1)(B) of the Social Security Act and regulations at 42 CFR 431.54(d). MassHealth has entered into a volume purchasing agreement with the Massachusetts Correctional Industries to supply providers of vision care services with certain ophthalmic materials (eyeglass frames and lenses) to eligible members. These eyeglasses are paid at rates specified in an interagency agreement between Massachusetts Correctional Industries and the MassHealth agency.

See Attachment 4.19-B, section 8.3.e (optometric services) for ophthalmic materials and vision care services not covered by the volume purchasing agreement.

The payment methodologies for these services supersede the payment methodology for eyeglasses as described in section 8.1 on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**1. Other diagnostic, screening, preventive, and rehabilitative services**

1. Preventive Services

A. For vaccines and vaccine administration by clinicians within their scope of practice, see Attachment 4.19-B, section 8.d. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for these services supersedes the payment methodology applicable to such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**m. Other diagnostic, screening, preventive, and rehabilitative services** (continued)

1. Preventive Services

B. The fee-for-service rates for psychiatric day treatment services were set on January 1, 2008 and are effective for services provided on or after August 1, 2009. All rates are published on <https://www.mass.gov/regulations/1143-CMR-700-psychiatric-day-treatment-center-services> Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for these services supersedes the payment methodology applicable to such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**m. Other diagnostic, screening, preventive, and rehabilitative services** (continued)

1. Preventive Services

C. The fee-for-service rates for adult day health services are effective for services provided on or after September 22, 2017. All rates are published on <https://www.mass.gov/regulations/101-CMR-31000-adult-day-health-services>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for these services supersedes the payment methodology applicable to such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**m. Other diagnostic, screening, preventive, and rehabilitative services** (continued)

2. Rehabilitative Services

- A. The fee-for-service rates for rehabilitative services provided in a day setting are effective for services provided on or after March 1, 2018. All rates are published on <https://www.mass.gov/regulations/101-CMR-34800-day-habilitation-program-services>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for these services supersedes the payment methodology applicable to such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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m. Other diagnostic, screening, preventive, and rehabilitative services (continued)

2. Rehabilitative Services

B. Reimbursement for rehabilitative services provided by the Department of Mental Health (DMH), the Department of Youth Services (DYS) and the Department of Children and Families (DCF) are claimed as certified public expenditures and reflect actual costs. Claims for rehabilitative services provided by DMH, DYS, and DCF 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. Final cost reimbursement rates are calculated after state fiscal year-end and 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.

This payment method for these services supersedes the payment methodology applicable to such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

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 rates are based on the final cost reimbursement rates of the most recent rate period with established final cost reimbursement rates.

3. Final Rate Methodology

The final cost reimbursement rates are determined each rate period based on rate petitions submitted by each agency that detail allowable actual expenditures multiplied by an aggregate treatment percentage, with that result divided by total units of service.

$$\left[ \begin{array}{c} \text{Agency Expenditures} \times \text{Aggregate Treatment \%} \div \text{Units of Service} = \\ \text{Final Cost Reimbursement Rate} \end{array} \right]$$

a. Agency Expenditures. Expenditures by DMH, DYS and DCF in the provision of rehabilitative services during the applicable rate period. Agency Expenditures include, as applicable:

i. **Direct costs:** actual payments to providers and those incurred by state operated programs for direct services. These expenditures are paid

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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- through the state’s accounting system. Providers are paid pursuant to state developed fee schedules.
- ii. **Indirect costs:** For state operated programs, administrative costs allocated pursuant to an agency specific cost allocation plan.
  - iii. Room and board costs are excluded.
- b. Aggregate Treatment Percentage. The portion of the delivered service that is reimbursable under Medicaid.
  - c. Units of Service. The total units of treatment service delivered during the rate period.
  - d. Rate Petition. Request for approval of rates submitted annually to EOHHS by DMH, DYS and DCF. Rate petitions include a certification of public expenditures using the CMS approved Certification Statement, and describe the agency’s calculation of costs and the methodology used to determine the portion of a provider’s time devoted to Medicaid reimbursable activities. Rate petitions are completed in accordance with the principles and standards for determining costs as described in 2 CFR 225 – Cost Principles for State, Local, and Indian Tribal Government (OMB circular A-87) . Rate petitions submitted are subject to desk review.
4. Cost Settlement
- a. During each rate period claims for reimbursement are processed through MMIS using provisional cost reimbursement rates.
  - b. Final cost reimbursement rates are calculated after state fiscal year-end and claims submitted during the rate period at the provisional rates are reconciled with the final rates to determine a cost settlement for the rate period. This reconciliation is expected to occur 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.



State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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- n. **Inpatient hospital services and skilled nursing home services for individuals 65 years of age or over in an institution for tubercular or mental diseases:**
1. For inpatient hospital services — see **Attachment 4.19-A**.
  2. For skilled nursing home services — see **Attachment 4.19-D**.<sup>1</sup>

This payment method for these services supersedes the payment methodology for such services as described in section 8.n on page 1b of Attachment 4.19-B of TN 06-005.

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<sup>1</sup> Note: No skilled nursing facilities are IMDs.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**o. Any other medical care recognized under state law, including transportation services, oxygen, and podiatry: (continued)**

3. Oxygen and durable medical equipment –The fee-for-service rates are effective for services provided on or after April 1, 2010. All rates are published on <https://www.mass.gov/regulations/101-CMR-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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

- o. **Any other medical care recognized under state law, including transportation services, oxygen, and podiatry:** (continued)
  - 4. Podiatry - See Attachment 4.19-B, item 8.d.

State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care

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**t. Early and Periodic Screening, Diagnostic and Treatment services for individuals under 21 years of age, and treatment of conditions found** (continued)

Early Intervention - The fee-for-service rates for Early Intervention Services are effective for services provided on or after March 1, 2016. All rates are published on <https://www.mass.gov/regulations/101-CMR-34900-rates-for-early-intervention-program-services>. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

This payment method for these services supersedes the payment methodology for such services as described in section 8.m on page 1b of Attachment 4.19-B of TN 06-005.

**State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care**

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Reserved

**State Plan under Title XIX of the Social Security Act  
State: Massachusetts  
Methods and Standards for Establishing Payment Rates – Other Types of Care**

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Reserved