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**State/Territory Name: Massachusetts**

**State Plan Amendment (SPA) #: 11-004**

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**

June 2, 2014

John Polanowicz, Secretary  
Executive Office of Health and Human Services  
One Ashburton Place, Room 1109  
Boston, Massachusetts 02108

Dear Mr. Polanowicz:

We are pleased to enclose a copy of approved Massachusetts State Plan Amendment (SPA) No. 11-004 submitted to my office on May 26, 2011. This SPA was submitted to incorporate the payment methodology for Outpatient Substance Abuse Hospital services into Section 4.19-B(3) of the State plan, under Private Psychiatric Hospital Outpatient Services, and to reduce the outpatient cost-to-charge ratio from 100% to 66.58% for 2011. This SPA has been approved effective April 1, 2011.

Changes are reflected on the following page of your approved State Plan:

- Attachment 4.19-B(3), page 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](mailto:Julie.McCarthy@cms.hhs.gov).

Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

Enclosure/s

cc: Kristin Thorn, Medicaid Director  
Michael Coleman, 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>011-004</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>04/01/11</b>	
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: <b>42 USC 1396a (a) (13) ; 42 USC 1315; 42 CFR Part 447; 42CFR 440.20</b>		7. FEDERAL BUDGET IMPACT: <b>a. FFY11 \$ (14,339.81)</b> <b>b. FFY12 \$ (46,338.32 )</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-B (3), page 1</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>Same</b>	
10. SUBJECT OF AMENDMENT:  <b>Outpatient Substance Abuse Hospital Services</b>			
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: <b>Not required under 42 CFR 430.12(b)(2)(ii)</b>	
12. SIGNATURE OF STATE AGENCY OFFICIAL:  <i>JudyAnn Bigby</i> <b>/s/</b>		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>05/26/11</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>05/26/2011</b>		18. DATE APPROVED: <b>06/02/2014</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>04/01/2011</b>		20. SIGNATURE OF REGIONAL OFFICIAL:  <i>Richard R. McGreal</i> <b>/s/</b>	
21. TYPED NAME: <b>Richard R. McGreal</b>		22. TITLE: <b>Associate Regional Administrator, Division of Medicaid &amp; Children's Health Operations, Boston, MA</b>	
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 a hospital specific outpatient cost-to-charge ratio for outpatient services, derived from the FY 2008 HCF-403 cost reports filed with the Division of Health Care Finance and Policy ("DHCFP"). The outpatient Cost-to-Charge Ratio is a fixed percentage that is applied to a Hospital's Usual and Customary Charges for Outpatient Services based on charges filed with DHCFP as of July 1, 2008. 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. Any such payment shall not exceed the Hospital's Usual and Customary Charge.

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 Quality, 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 Division of Health Care Finance and Policy. The outpatient Cost-To-Charge Ratio for HRY 2010-2011 is 66.58%