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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 <u>Julie.McCarthy@cms.hhs.gov</u>.

Sincerely,

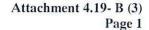
/s/

Richard R. McGreal Associate Regional Administrator

Enclosure/s

cc: Kristin Thorn, Medicaid Director Michael Coleman, State Plan Coordinator

	,	
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER:	2. STATE
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	011-004	MA
	3. PROGRAM IDENTIFICATION: TI	
	SOCIAL SECURITY ACT (MEDIC	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE	
CENTERS FOR MEDICARE AND MEDICAID SERVICES		
DEPARTMENT OF HEALTH AND HUMAN SERVICES	04/01/11	
5. TYPE OF PLAN MATERIAL (Check One):		
	CONSIDERED AS NEW PLAN	☑ AMENDMENT
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	NDMENT (Separate Transmittal for each	h amendment)
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:	
42 USC 1396a (a) (13); 42 USC 1315; 42 CFR Part 447;	a. FFY11 \$ (14,339.81)	
42CFR 440.20	b. FFY12 \$ (46,338.32)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
Attachment 4.19-B (3), page 1	Same	
10. SUBJECT OF AMENDMENT:		
	**	
Outpatient Substance Ab	ouse Hospital Services	
11. GOVERNOR'S REVIEW (Check One):		
GOVERNOR'S OFFICE REPORTED NO COMMENT	☑ OTHER, AS SPECIFIED:	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	Not required under	
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
	•	
12. SIGNATURA OF STATE AGENCY DEFICIAL.	16. RETURN TO:	
/s/		
13. TYPED NAME:	Michael P. Coleman	
JudyAnn Bigby, M. D.	State Plan Coordinator	
14. TITLE:	Office of Medicaid	
Secretary	Executive Office of Health and Human Services	
15. DATE SUBMITTED:	One Ashburton Place, 11th Floor	
05/26/11	Boston, MA 02108	
FOR REGIONAL OF		
17. DATE RECEIVED: 05/26/2011	18. DATE APPROVED: 06/02/2014	<b>L</b>
PLAN APPROVED – ON	And the second s	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/2011	20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Richard R. McGreal	22. TITLE: Associate Regional Administra Children's Health Operations,	ator, Division of Medicaid & Boston, MA
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

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%

TN: 011-004 Approval Date: 06/02/2014 Effective Date: 04/01/11

Supersedes: 09-015