

957 CMR 3.00: ASSESSMENT ON CERTAIN HEALTH CARE PROVIDERS AND SURCHARGE PAYORS

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3.01: General Provisions

Scope and Purpose. 957 CMR 3.00 governs payments to the Center for Health Information and Analysis, for the period commencing November 5, 2012, from certain Acute Hospitals, Ambulatory Surgical Centers and Surcharge Payors.

3.02: Definitions

Meaning of Terms. All defined terms in 957 CMR 3.00 are capitalized. As used in 957 CMR 3.00, unless the context otherwise requires, terms have the following meanings:

Adjudicatory Proceeding. A proceeding before an agency in which the legal rights, duties or privileges of specifically named persons or entities are required by constitutional right or by any provision of the General Laws to be determined after an opportunity for an agency hearing.

Center. The Center for Health Information and Analysis as established under M.G.L. c. 12C.

Center Expenses. The amount appropriated by the general court for the expenses of the Center minus amounts collected from:

- (a) filing fees;
- (b) fees and charges generated by the Center's publication or dissemination of reports and information; and
- (c) federal matching revenues received for these expenses or received retroactively for expenses of predecessor agencies. Center expenses shall include an amount equal to the cost of fringe benefits and indirect expenses, as established by the comptroller.

Gross Patient Service Revenue (GPSR). The total dollar amount of a Hospital's or an Ambulatory Surgical Center's charges for services rendered in a fiscal year.

Hospital. The teaching hospital of the University of Massachusetts Medical School and any acute hospital licensed under M.G.L. c. 111, § 51 that contains a majority of medical-surgical, pediatric, obstetric and maternity beds, as defined by the Department of Public Health.

MassHealth. The medical assistance program administered by the Executive Office of Health and Human Services Office of Medicaid pursuant to M.G.L. c. 118E and in accordance with Titles XIX and XXI of the Federal Social Security Act, and a § 1115 Demonstration Waiver.

Medicare Program. The medical insurance program established by Title XVIII of the Social Security Act.

Payment. A check, draft or other paper instrument, an electronic fund transfer, or any order, instruction, or authorization to a financial institution to debit one account and credit another.

Presiding Officer. The individual(s) authorized by law or designated by the Center to conduct an Adjudicatory Proceeding.

## 3.02: continued

Surcharge Payor. A Surcharge Payor is an individual or entity, including a Managed Care Organization, that pays for or arranges for the purchase of Health Services provided by Hospitals and Ambulatory Surgical Center Service provided by Ambulatory Surgical Centers; provided, however, that the term "Surcharge Payor" shall not include:

- (a) Title XVIII and Title XIX programs and their beneficiaries or recipients;
- (b) other governmental programs of public assistance and their beneficiaries or recipients; and
- (c) the workers' compensation program established pursuant to M.G.L. c. 152.

3.03: Acute Hospital and Ambulatory Surgical Center Assessment

(1) General. The Center shall establish an assessment on all Hospitals and Ambulatory Surgical Centers.

(2) Calculation of the Hospital and Ambulatory Surgical Center Assessment Percentage. Using the best information available as determined by the Center, the Center shall calculate an assessment percentage for each Hospital and Ambulatory Surgical Center by dividing each entity's individual GPSR for the most recent fiscal year for which complete data was reported to the Center by the total of all such GPSR reported by all Hospitals and Ambulatory Surgical Centers.

(3) Hospital and Ambulatory Surgical Center Assessment Liability. The assessment liability for each Hospital and Ambulatory Surgical Center is the product of:

- (a) the assessment percentage as defined in 957 CMR 3.03(2); and
- (b) ½ of Center Expenses.

(4) Payment Process.

- (a) Each Hospital and Ambulatory Surgical Center shall make a preliminary payment to the Center on October 1<sup>st</sup> of each year in an amount equal to ½ of the Hospital or Ambulatory Surgical Center's previous year's total assessment.
- (b) Each Hospital and Ambulatory Surgical Center shall pay the balance of its total assessment within 30 days' notice from the Center.
- (c) The Center shall, using the best information available as determined by the Center, adjust the assessment to account for any variation in actual Center Expenses and any changes in Hospital and/or Ambulatory Surgical Center gross patient service revenues.
- (d) All assessment payments must be payable to the Commonwealth of Massachusetts in United States dollars and drawn on a United States bank.

3.04: Surcharge Payor Assessment

(1) General. The Center shall establish an assessment on all Surcharge Payors.

(2) Qualifying Surcharge Payor. A Surcharge Payor is subject to assessment if the Surcharge Payor's Payments Subject to Assessment were at least \$1 million during the last 12-month period for which complete data was received by the Center. A Surcharge Payor that administers health payments for health care services on behalf of a client plan in exchange for an administrative fee will be deemed to use the client plan's funds to pay for health care services whether the Surcharge Payor pays providers with funds from the client plan, with funds advanced by the Surcharge Payor subject to reimbursement by the client plan, or with funds deposited with the Surcharge Payor by the client plan.

(3) Payments Subject to Assessment. Payments that are made by Surcharge Payors to Hospitals and Ambulatory Surgical Centers pursuant to M.G.L. c. 118E, § 68 are subject to assessment.

(4) Calculation of the Surcharge Payor Assessment Percentage. Using the best information available as determined by the Center, the Center shall calculate each Qualifying Surcharge Payor's assessment percentage by dividing an individual Surcharge Payor's Payments Subject to Assessment during the last fiscal year for which complete data was received by the Center by the total of all such payments by all Qualifying Surcharge Payors.

3.04: continued

- (5) Surcharge Payor Liability. The assessment liability for each Qualifying Surcharge Payor is the product of:
- (a) the Surcharge Payor Assessment Percentage as defined in 957 CMR 3.04(4); and
  - (b) ½ of Center Expenses.
- (6) Payment Process.
- (a) Each Qualifying Surcharge Payor shall make a preliminary payment to the Center on October 1<sup>st</sup> of each year in an amount equal to ½ of the Surcharge Payor's previous year's total assessment.
  - (b) Each Qualifying Surcharge Payor shall pay, within 30 days' notice from the Center, the balance of its total assessment.
  - (c) The Center shall, using the best information available as determined by the Center, adjust the assessment to account for any variation in actual Center Expenses.
  - (d) All assessment payments must be payable to the Commonwealth of Massachusetts in United States dollars and drawn on a United States bank.

3.05: Reporting Requirements

- (1) General. Each Hospital, Ambulatory Surgical Center and Surcharge Payor shall file or make available information that is required or that the Center deems reasonably necessary for calculating and collecting the assessment.
- By June 30<sup>th</sup> of each year, each Hospital and Ambulatory Surgical Center shall file a report with the Center that documents its GPSR for the prior year ended September 30<sup>th</sup>.
- (2) Audits. The Center may audit data submitted under 957 CMR 3.05(1) to ensure accuracy.

3.06: Special Provisions

- (1) Transfer of Ownership. All liabilities to the Center by a Hospital, Ambulatory Surgical Center or Surcharge Payor shall, in the case of a transfer of ownership, be assumed by the successor.
- (2) Debt Collection. If a Hospital, Ambulatory Surgical Center or Surcharge Payor has maintained an outstanding liability to the Center for a period longer than 120 days, the Center will pursue all legal remedies available to it, including those available under M.G.L. c. 7A, § 3.

3.07: Compliance and Penalties

The Center will provide written notice to Hospitals, Ambulatory Surgical Centers and Surcharge Payors that fail to comply with the reporting deadlines established in 957 CMR 3.00.

- (1) The Center will notify Hospitals, Ambulatory Surgical Centers and Surcharge Payors that failure to respond within two weeks of the written notice, without just cause, may result in penalties. In accordance with M.G.L. c. 12C, § 11, Hospitals, Ambulatory Surgical Centers and Surcharge Payors may be subject to a penalty of up to \$1,000 per week for each week that they fail to provide the required health care data and information, up to an annual maximum of \$50,000.
- (2) Any remedy available under 957 CMR 3.07 is in addition to other sanctions and penalties that may apply under the provisions of other statutes and regulations.
- (3) Hospitals, Ambulatory Surgical Centers and Surcharge Payors that fail to comply with the requirements of 957 CMR 3.00 will be subject to all penalties and remedies allowed by law and the Center will take all necessary steps to enforce 957 CMR 3.07, including a petition to the Superior Court for an order enforcing the same.
- (4) Before assessing a penalty, the Center shall notify the Hospital, Ambulatory Surgical Center or Surcharge Payor that has failed to comply with the requirements of 957 CMR 3.00 that it has the right to request a hearing in accordance with M.G.L. c. 30A, § 10.

3.07: continued

(5) If a hearing is timely requested in writing, the Center, including through a Presiding Officer, will conduct the hearing in accordance with 801 CMR 1.00: *Standard Adjudicatory Rules of Practice and Procedure*. After the hearing, the Center shall render a written decision and may assess a civil penalty pursuant to 957 CMR 3.07(1).

(6) After the issuance of a final decision, except where any provision of law precludes judicial review, a Hospital, Ambulatory Surgical Center or Surcharge Payor aggrieved by such final decision may seek judicial review thereof in accordance with M.G.L. c. 30A, § 14.

3.08: Administrative Bulletins

The Center may issue administrative bulletins to clarify policies and understanding of substantive provisions of 957 CMR 3.00 and specify information and documentation necessary to implement 957 CMR 3.00.

3.09: Severability

The provisions of 957 CMR 3.00 are severable. If any provision or the application of any provision to any Hospital, Ambulatory Surgical Center or Surcharge Payor is held to be invalid or unconstitutional, any such invalidity shall not be construed to affect the validity or constitutionality of any remaining provisions of 957 CMR 3.00 or the application of such provisions to any Hospital, Ambulatory Surgical Center or Surcharge Payor in circumstances other than those held invalid.

REGULATORY AUTHORITY

957 CMR 3.00: M.G.L. c. 12C.