

**ADDENDUM TO STAFF SUMMARY FOR DETERMINATION OF NEED
BY THE PUBLIC HEALTH COUNCIL
February 14, 2018**

Introduction

On January 12, 2018, and pursuant to 105 CMR 100.510, the Massachusetts Department of Public Health (DPH or Department) Staff for the Determination of Need (DoN) Program (Staff) forwarded to all Parties of Record its written Staff Report relative to DoN application 17102515-TO filed by AdCare Inc. with respect to a transaction in which it would become an indirect subsidiary of American Addiction Centers (AAC).¹

In accordance with the regulation, Parties of Record were authorized to submit written comments related to the Staff's recommendation and any other conditions recommended in the Staff report.

A timely response from the Applicant was received which requested clarification of the terms several of the Conditions. The request was reviewed and, as appropriate, incorporated in the staff report that is presented to the Public Health Council (PHC) for review at its February 14, 2018 meeting.

New language *in italics*, language removed ~~in strikethrough~~.

Other Conditions

1. ~~With respect to the AAC commissioned independent longitudinal three year study of outcomes,~~
~~†The Holder shall extend the~~ *perform an outcomes assessment to of AdCare similar to the*
independent assessment conducted by AAC and in:
 - a. Its first report mandated by 105 CMR 100.310(L), submit to the Department a report that details, for each of those outcomes assessments; the baseline measures; expected benchmarks; measure specifications; and the anticipated time to meet goals;
 - b. Each subsequent year report those outcomes.
2. The Holder shall continue its participation in public payer contracts, ~~maintain its current payer mix and~~ report annually on its Medicare (fee for service and MCO), Medicaid (fee for service and MCO), and commercial payer mix. *The Holder's payer mix shall not appreciably change from year to year.*
3. The Applicant agrees to maintain its ASAM level of care criteria for level 4.0 and provide documentation, as required by MassHealth or otherwise, that they are admitting and treating patients with co-occurring acute psychiatric and/or acute complex medical conditions that meet the established definition of ASAM 4.0 level of care.
4. The Applicant shall comply with requests for chart sampling to substantiate that level of care by regulating bodies, including DPH, CMS or MassHealth.
5. The Applicant shall comply with any government or certifying body measures set for pharmacotherapy (MAT) initiation and maintenance treatment where clinically appropriate, in adherence with the level 4.0 ASAM Hospital setting criteria and along the care continuum, including that it be accompanied by complementary therapeutic services as indicated.

¹ In addition, we point out a scrivener's error on page one wherein American Addiction Center, Inc. (AAC) is referred to, incorrectly, as Addiction Centers of America and we correct that, here.

6. The Applicant shall attest that prescribing activity is accompanied by appropriate use of laboratory services such that ratios of prescription to laboratory utilization do not exceed appropriate regulatory or certifying body current and new benchmarks as they are established.
7. The Applicant shall, prior to testing, inform patients of any testing that exceeds their insurance coverage limits.

Presented for PHC Vote:

Findings and Recommendation

Pursuant to 105 CMR 100.735, the staff recommends approval of the proposed project. Any approval is subject to 105 CMR 100.735(D)(3) relative to noncompliance.

Approval shall be subject to the Standard Conditions relevant to Transfers of Ownership (see Attachment 1) and the following additional requirements which shall become conditions of the DoN:

Other Conditions

1. The Holder shall perform an outcomes assessment similar to the independent assessment conducted by AAC to AdCare and:
 - a. Its first report mandated by 105 CMR 100.310(L), submit to the Department a report that details, for each of those outcomes assessments; the baseline measures; expected benchmarks; measure specifications; and the anticipated time to meet goals;
 - b. Each subsequent year report those outcomes.
2. The Holder shall continue its participation in public payer contracts, and report annually on its Medicare (fee for service and MCO), Medicaid (fee for service and MCO), and commercial payer mix. The Holder's payer mix shall not appreciably change from year to year.
3. The Applicant agrees to maintain its ASAM level of care criteria for level 4.0 and provide documentation, as required by MassHealth or otherwise, that they are admitting and treating patients with co-occurring acute psychiatric and/or acute complex medical conditions that meet the established definition of ASAM 4.0 level of care.
4. The Applicant shall comply with requests for chart sampling to substantiate that level of care by regulating bodies, including DPH, CMS or MassHealth.
5. The Applicant shall comply with any government or certifying body measures set for pharmacotherapy (MAT) initiation and maintenance treatment where clinically appropriate, in adherence with the level 4.0 ASAM Hospital setting criteria and along the care continuum, including that it be accompanied by complementary therapeutic services as indicated.
6. The Applicant shall attest that prescribing activity is accompanied by appropriate use of laboratory services such that ratios of prescription to laboratory utilization do not exceed appropriate regulatory or certifying body current and new benchmarks as they are established.
7. The Applicant shall, prior to testing, inform patients of any testing that exceeds their insurance coverage limits.