



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Division of Medical Assistance**  
600 Washington Street  
Boston, MA 02111  
[www.mass.gov/dma](http://www.mass.gov/dma)

MASSHEALTH  
TRANSMITTAL LETTER ADH-18  
October 2003

**TO:** Adult Day Health Providers Participating in MassHealth  
**FROM:** Beth Waldman, Acting Commissioner *Beth Waldman*  
**RE:** *Adult Day Health Manual* (Continuation of Transitional Payment Rate and Revisions to Service Codes and Descriptions)

This letter transmits revisions to the adult day health regulations to continue the transitional payment rate to certain dementia day service providers. This per diem rate was scheduled to expire on July 31, 2003, but line item 4000-0600 of Section 2 of Chapter 26 of the Acts of 2003 contained funding to continue this payment. The per diem rate is paid to dementia day service providers under contract with Aging Service Access Points under the Executive Office for Elder Affairs Home and Community Based Waiver Program in lieu of the adult day health (ADH) rates of payment established by the Division of Health Care Finance and Policy (DHCFP) for providing complex care to a member.

These regulations were filed as an emergency, effective November 1, 2003. The effect of this amendment is that dementia day services rendered after July 31, 2003, will continue to be paid at the transitional payment rate.

This letter also transmits revisions to the *Adult Day Health Manual* service codes and descriptions to reflect the implementation of the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The revised Subchapter 6 is effective for dates of service on or after November 1, 2003. Subchapter 5, Billing Instructions, will be revised at a later date.

The Centers for Medicare and Medicaid Services (CMS) has revised the Healthcare Common Procedure Coding System (HCPCS) for 2003. New national service codes have been added, and MassHealth local codes have been removed from the *Adult Day Health Manual*. Please note that you must use a modifier with some codes to accurately reflect the service provided. The attached Subchapter 6 contains codes with modifiers, where applicable.

Providers are required to report on the claim the place of service (POS) where services are provided. Using this POS code, the Division will automatically pay for such services in accordance with the applicable fee schedule of the Division of Health Care Finance and Policy.

Please note that the HIPAA-compliant CMS POS codes are different from the Division's POS codes. Providers should refer to Subchapter 5, Billing Instructions, of the *Adult Day Health Manual* for a complete listing of all allowable Division POS codes. For 837 professional claims, please coordinate the Division's POS code list with the HIPAA-compliant CMS POS codes list that is available at [www.cms.hhs.gov/states/posdata.pdf](http://www.cms.hhs.gov/states/posdata.pdf).

### **Transitional Payment Rate**

Effective for dates of service on or after November 1, 2003, the MassHealth local service code for adult day health transitional payment rate (X9842) has been replaced with HCPCS code **S5101**, day care services, adult, per half day.

Providers must bill for ADH services provided at the transitional payment rate by using 2 units per attendance day to remain in compliance with regulation 130 CMR 404.415(C), "members must attend a minimum of six hours per day. Any alteration of this requirement is at the discretion of the Division and must be approved."

### **Crosswalk**

Please find attached a crosswalk from the obsolete MassHealth local service code and modifiers to the new national service code.

### **Informational Bulletin from the Division of Health Care Finance and Policy**

If you wish to obtain a copy of the Division of Health Care Finance and Policy's Informational Bulletin 02-14 outlining the conversion of all other ADH local codes, go to [www.state.ma.us/dhcfp/pages/pdf/bull\\_adh.pdf](http://www.state.ma.us/dhcfp/pages/pdf/bull_adh.pdf) or submit a request to the address or telephone number below. Please note the Informational Bulletin refers to ADH rates regarding basic and complex levels-of-care and the Health Promotion and Prevention Rate only. All information regarding the transitional payment rate is found in the *Adult Day Health Manual* at 130 CMR 404.414(D).

Division of Health Care Finance and Policy  
Two Boylston Street  
Boston, MA 02116  
Telephone: 617-988-3100

### **Web Site Access and Questions**

This transmittal letter and the adult day health regulations are available on the Division's Web site at [www.mass.gov/dma](http://www.mass.gov/dma).

If you have any questions, please call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

### **NEW MATERIAL**

(The pages listed here contain new or revised language.)

#### **Adult Day Health Manual**

Pages 4-21, 4-22, 6-1, and 6-2

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Adult Day Health Manual

Pages 4-21 and 4-22 — transmitted by Transmittal Letter ADH-15

Pages 6-1 and 6-2 — transmitted by Transmittal Letter ADH-16

**Crosswalk of MassHealth Service Codes for  
Adult Day Health Providers**  
Effective November 1, 2003

Current ADH Service Code	New National ADH Service Code	Description	Effective Date
X9841	S5102	Day care services, adult; per diem (adult day health-basic level of care)	02-01-03
X9842	S5101	Day care services, adult; per half day (transitional payment rate-bill 2 units for full day)	11-01-03
X9845	S5102-TG (modifier)	Day care services, adult; per diem (adult day health-complex level of care)	02-01-03
X9844	S5102 –U1 (modifier)	Day care services, adult; per diem (adult day health-HPPR)	02-01-03
X0091	T2003	Nonemergency transportation; encounter/trip (adult day health-transportation)	02-01-03

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(D) Rates of Payment.

(1) Rates for Basic Level of Care and Complex Level of Care. The Division pays for basic level of care and complex level of care adult day health services at rates established by the Division of Health Care Finance and Policy.

(2) Transitional Payment Rate. ADH providers who were, as of August 1, 2002, Dementia Day Service Providers under contract with Aging Service Access Points under the Executive Office for Elder Affairs Home and Community Based Waiver Program, will be paid, in lieu of the ADH rates of payment established by the Division of Health Care Finance and Policy, a per diem rate of \$55.00 for providing complex level of care to a member. This rate will only apply to dates of service from August 1, 2002, through June 30, 2004. The transitional payment rate is limited to the number of members served in each provider's Dementia Day Waiver Program as of August 1, 2002, as verified by payment information on file for dates of service August 1, 2002, through June 30, 2004. For dates of service on or after July 1, 2004, providers will be paid at the same level of care as other providers, as established by the Division of Health Care Finance and Policy.

(3) Health Promotion and Prevention Rate (HPPR). The Division pays providers at the HPPR for adult day health services to a member who meets the clinical eligibility requirements at the time the member is admitted to the program but who, due to improved health, no longer meets these clinical requirements.

404.415: Conditions of Payment

(A) The Division pays for adult day health services beginning with the effective date of the authorization.

(B) The Division pays an adult day health provider for only those attendance days attended by an eligible MassHealth member.

(C) The Division pays for adult day health services only when the member attends for at least two six-hour days. Members must attend the program at least six hours each day, excluding transportation time to and from the program. Any alteration from this requirement is at the discretion of the Division and must be approved.

404.416: Noncovered Services

The Division does not pay for adult day health services for:

(A) individuals who reside in an institutional setting;

(B) any canceled program days or any attendance days missed by a member for any reason; and

(C) any portion of a day during which the member is absent from the site, unless the program documents that the member was receiving services from the program staff outside of the adult day health site in a community setting.

REGULATORY AUTHORITY

130 CMR 404.000: M.G.L. c. 118E, § 7 and 12.

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601 Service Codes and Descriptions: Per Diem Services

Service

Code - Modifier    Service Description

S5101            Day care services, adult; per half day. (Use for transitional payment rate. Bill two units for a full day.)  
 S5102            Day care services, adult; per diem. (Use for adult day health-basic level of care.)  
 S5102-U1        Day care services, adult; per diem. (Use for adult day health-HPPR.)  
 S5102-TG        Day care services, adult; per diem. (Use for adult day health-complex level of care.)

602 Service Codes and Descriptions: Transportation Services

See 130 CMR 404.413.

Service

Code - Modifier    Service Description

T2003            Nonemergency transportation; encounter/trip. (Use for transportation furnished on a single date or on consecutive dates. Bill per one-way trip.)

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