



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
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Boston, MA 02111
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MASSHEALTH
TRANSMITTAL LETTER AIH-40
October 2005

TO: Acute Inpatient Hospitals Participating in MassHealth
FROM: Beth Waldman, Medicaid Director *BW*
RE: *Acute Inpatient Hospital Manual* (Restoration of Certain Inpatient Services)

This letter transmits a revision to the acute inpatient hospital regulations. MassHealth has revised its regulations to restore coverage of all adult acute inpatient hospital services provided after 20 days.

These emergency regulations are effective for dates of service on or after October 1, 2005.

If you have any questions about the information in this transmittal letter please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.

NEW MATERIAL

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

Acute Inpatient Hospital Manual

Pages 4-3 and 4-4

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Acute Inpatient Hospital Manual

Pages 4-3 and 4-4 — transmitted by Transmittal Letter AIH-39

Commonwealth of Massachusetts Division of Medical Assistance Provider Manual Series ACUTE INPATIENT HOSPITAL MANUAL	SUBCHAPTER NUMBER AND TITLE 4 PROGRAM REGULATIONS (130 CMR 415.000)		PAGE 4-3
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Outpatient Services – medical services provided to a member in an outpatient setting including but not limited to hospital outpatient departments, hospital-licensed health centers, physicians’ offices, nurse practitioners’ offices, freestanding ambulatory surgery centers, day treatment centers, or the member’s home.

Reasonable Distance – generally, 25 miles from the home or usual noninstitutional residence of the member. This definition does not preclude longer distances in such instances as, but not limited to, rural areas or in cases where the member has no family or regular visitors.

Reconstructive Surgery – a surgical procedure that is performed to correct, repair, or ameliorate the physical effects of physical disease or defect (for example, correction of a cleft palate), or traumatic injury.

Sterilization – any medical procedure, treatment, or operation that renders an individual permanently incapable of reproducing. A sterilization is "nontherapeutic" when the individual has chosen sterilization as a permanent method of contraception. A sterilization is "therapeutic" when it occurs as a necessary part of the treatment of an existing illness or injury or is medically indicated and performed in conjunction with surgery upon the genito-urinary tract.

Utilization Review Coordinator – an individual responsible for utilization review in a hospital.

Working Days – Monday through Friday except for legal holidays.

415.403: Eligible Members

(A) MassHealth Members. The MassHealth agency pays for acute inpatient hospital services provided to MassHealth members, subject to the restrictions and limitations described in MassHealth regulations. 130 CMR 415.000 describes the services covered and the members covered under each provider type.

(B) Recipients of the Emergency Aid to the Elderly, Disabled and Children Program. For information on covered services for recipients of the Emergency Aid to the Elderly, Disabled and Children Program, see 130 CMR 450.106.

(C) Age Limitations. In addition to any other restrictions and limitations set forth in 130 CMR 415.403 and 450.000, MassHealth covers inpatient services for administrative days only when provided to eligible MassHealth members under age 21, unless such services are provided in a distinct part psychiatric unit.

415.404: Provider Eligibility

Payment for the services described in 130 CMR 415.000 will be made only to acute inpatient hospitals participating in MassHealth as of the date of service.

(A) In State. To participate in MassHealth, an acute inpatient hospital located in Massachusetts must:

- (1) be licensed as a hospital by the Massachusetts Department of Public Health;
- (2) have a signed provider agreement that specifies a reimbursement methodology with the MassHealth agency; and
- (3) participate in the Medicare program.

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(B) Out of State.

(1) Out-of-state acute inpatient hospital services are covered only as provided in 130 CMR 450.109.

(2) To participate in MassHealth, an out-of-state acute inpatient hospital must obtain a MassHealth provider number and meet the following criteria:

- (a) be approved as an acute inpatient hospital by the governing or licensing agency in its state;
- (b) participate in the Medicare program; and
- (c) participate in that state's Medical Assistance Program (or equivalent).

415.405: Utilization Management Program

The MassHealth agency pays for procedures and hospital stays that are subject to the Utilization Management Program only if the requirements of the program, as described in 130 CMR 450.207 through 450.211, are satisfied. Appendix E of the *Acute Inpatient Hospital Manual* contains the name, address, and telephone number of the contact organization for the Utilization Management Program and describes the information that must be provided as part of the review process.

415.406: Payment Methodology

Payments to acute inpatient hospitals in Massachusetts for services provided to MassHealth members equals the rate established in the signed provider agreement with the MassHealth agency.

415.407: Covered Administrative Days: Payment Methodology

Payment for covered administrative days provided on or after October 1, 1991, is made in accordance with the methodology established by the signed provider agreement with the MassHealth agency. The per diem rate must be accepted by the hospital as payment in full for all days determined to be administratively necessary, in accordance with 130 CMR 415.414.

415.408: Nonpayable Services

The following are not payable:

(A) drugs and durable medical equipment prescribed for take-home use that are readily available from pharmacies or medical providers;