



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance

600 Washington Street
Boston, MA 02111
www.mass.gov/dma

MASSHEALTH
TRANSMITTAL LETTER ALL-105
August 2002

TO: All Providers Participating in MassHealth
FROM: Wendy E. Warring, Commissioner
RE: *All Provider Manual* (Revision to Termination of Provider Agreement)

The Division of Medical Assistance recently revised its regulation about the termination of provider agreements. The revision establishes that providers may terminate a provider agreement only upon written notice to the Division. The termination would be effective no earlier than 30 days after the Division actually receives the provider's notice, unless the Division specifies or agrees to a shorter period.

These regulations were filed as an emergency and were effective on August 2, 2002.

NEW MATERIAL

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

All Provider Manual

Pages ii, 2-19, and 2-20

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

All Provider Manual

Page ii — transmitted by Transmittal Letter ALL-85
Pages 2-19 and 2-20 — transmitted by Transmittal Letter ALL-51

Commonwealth of Massachusetts Division of Medical Assistance Provider Manual Series ALL PROVIDER MANUALS	SUBCHAPTER NUMBER AND TITLE TABLE OF CONTENTS	PAGE ii
	TRANSMITTAL LETTER ALL-105	DATE 08/02/02

2. ADMINISTRATIVE REGULATIONS

450.200:	Payment Methods and the Provider Agreement	2-1
450.201:	Choice of Provider	2-1
450.202:	Nondiscrimination	2-1
450.203:	Payment in Full.....	2-2
450.204:	Medical Necessity	2-2
450.205:	Recordkeeping and Disclosure	2-3
450.206:	Determination of Compliance with Medical Standards	2-4
450.207:	Utilization Management Program for Acute Inpatient Hospitals.....	2-4
450.208:	Utilization Management: Admission Screening for Acute Inpatient Hospitals.....	2-5
450.209:	Utilization Management: Prepayment Review for Acute Inpatient Hospitals	2-7
(130 CMR 450.210 and 450.211 Reserved)		
450.212:	Provider Eligibility: Eligibility Criteria.....	2-11
450.213:	Provider Eligibility: Termination of Participation for Ineligibility	2-12
450.214:	Provider Eligibility: Suspension of Participation Pursuant to U.S. Department of Health and Human Services Order.....	2-12
450.215:	Provider Eligibility: Notification of Potential Changes in Eligibility	2-12
450.216:	Provider Eligibility: Limitations on Participation Pending Eligibility Decision or Status Change.....	2-13
450.217:	Provider Eligibility: Ineligibility of Suspended Providers	2-13
(130 CMR 450.218 through 450.220 Reserved)		
450.221:	Provider Agreement: Definitions	2-14
450.222:	Provider Agreement: Application for Agreement	2-16
450.223:	Provider Agreement: Execution of Agreement	2-17
450.224:	Provider Agreement: Exclusion and Ineligibility of Convicted Providers and Parties in Interest, Managing Employees, and Agents of Convicted Providers	2-19
450.225:	Provider Agreement: Individual Practitioners	2-19
450.226:	Provider Agreement: Issuance of Provider Numbers	2-19
450.227:	Provider Agreement: Termination or Disapproval for Nondisclosure	2-20
450.228:	Fiscal Agents: Disclosure of Information	2-20
(130 CMR 450.229 and 450.230 Reserved)		
450.231:	Limitations of Payments: Participation of Both Provider and Member	2-21
450.232:	Limitations of Payments: Maximum Allowable Amount to In-State Providers	2-21
450.233:	Limitations of Payments: Maximum Allowable Amount to Out-of-State Providers	2-22
450.234:	The Participant.....	2-22
450.235:	Overpayments: Definition.....	2-22
450.236:	Overpayments: Calculation by Sampling	2-23
450.237:	Overpayments: Determination	2-23
450.238:	Sanctions: General	2-24
450.239:	Sanctions: Calculation of Administrative Fine	2-25
450.240:	Sanctions: Determination	2-26
450.241:	Hearings: Claim for an Adjudicatory Hearing	2-27

Commonwealth of Massachusetts Division of Medical Assistance Provider Manual Series ALL PROVIDER MANUALS	SUBCHAPTER NUMBER AND TITLE 2 ADMINISTRATIVE REGULATIONS (130 CMR 450.000)	PAGE 2-19
	TRANSMITTAL LETTER ALL-105	DATE 08/02/02

(6) The contractor agrees that the Division may offset any sums payable by reason of a retroactive rate increase for any period during which the contractor owned or operated part or all of a facility against any sums due the Division by reason of a retroactive rate decrease for any periods.

(D) The provisions of 130 CMR 450.222 and 450.223 shall apply to any provider agreement made on or after the effective date of this regulation, including any extension or renewal of a provider agreement made prior to such effective date.

450.224: Provider Agreement: Exclusion and Ineligibility of Convicted Providers and Parties in Interest, Managing Employees, and Agents of Convicted Providers

(A) The Division may terminate, or refuse to enter into or to renew a provider agreement with any contractor on behalf of any provider if such provider, any party in interest in such provider, or an agent or managing employee of such provider, has been convicted of a criminal offense relating to that person's involvement in any program established under Title XVIII, XIX, or XX of the Social Security Act, or of a crime of such a nature that, in the judgment of the Division, the participation of such provider will compromise the integrity of the Medical Assistance Program.

(B) The Division may terminate, or refuse to enter into or to renew a provider agreement with any contractor on behalf of any provider if the provider has been a party in interest, a managing employee, or an agent of a provider that has been convicted of a criminal offense relating to that person's involvement in any program established under Title XVIII, XIX, or XX of the Social Security Act, or of a crime of such a nature that, in the judgment of the Division, the participation of such provider will compromise the integrity of the Medical Assistance Program.

450.225: Provider Agreement: Individual Practitioners

(A) An individual practitioner must personally execute a provider agreement as the contractor with respect to the furnishing of any medical services, excluding those services covered by 130 CMR 450.301(B). The intent of 130 CMR 450.225 is that any individual practitioner may be held personally accountable under the provisions of 130 CMR 450.234 through 450.238 and 450.241 through 450.258 for all medical services billed under his or her provider number.

(B) Any individual practitioner who desires to bill the Division for services furnished by any other individual practitioner, and any other person or other legal entity that desires to bill the Division for services furnished by individual practitioners in accordance with the fee schedules applicable to individual practitioners, must submit an application in accordance with the provisions of 130 CMR 450.331 through 450.338.

450.226: Provider Agreement: Issuance of Provider Numbers

(A) Upon execution of the provider agreement, the Division will issue a provider number to be used to identify the provider that is the subject of the agreement in claim forms and other communications with the Division. Consistent with the definitions in 130 CMR 450.101, separate

Commonwealth of Massachusetts Division of Medical Assistance Provider Manual Series ALL PROVIDER MANUALS	SUBCHAPTER NUMBER AND TITLE 2 ADMINISTRATIVE REGULATIONS (130 CMR 450.000)	PAGE 2-20
	TRANSMITTAL LETTER ALL-105	DATE 08/02/02

facilities or locations owned or operated by the same contractor may be the subject of separate provider agreements with the contractor, in which case each such facility or location may be issued a separate provider number for its exclusive use. Also, the Division may issue two or more provider numbers to a health maintenance organization (defined in 42 U.S.C. 1395mm(b) and 42 CFR 405.2001), a hospital, or a similar organization or institution when the administrative convenience of the Division is served by the issuance of more than one provider number. Except in the circumstances described in 130 CMR 450.226, no provider shall have or use more than one provider number in any one provider type.

(B) For every case in which a contractor is assigned two or more provider numbers, the contractor must employ each provider number only in conjunction with the facility or location to which the number is assigned. In addition, the Division may condition the assignment of multiple provider numbers upon the express written agreement of the contractor that the Division may commence proceedings in accordance with the provisions of 130 CMR 450.234 through 450.258 against any or all of its provider numbers, regardless of the location or facility where the violation has been alleged to have occurred or the overpayment received.

450.227: Provider Agreement: Termination or Disapproval for Nondisclosure

(A) The Division shall not approve a provider agreement, and must terminate an existing agreement, if the contractor fails to disclose any information in accordance with the provisions of 130 CMR 450.222(B)(4), (B)(5), and (D), or 450.223(C)(5)(c).

(B) The Division may refuse to approve a provider agreement, and may terminate an existing agreement, if the contractor fails to disclose any information in accordance with the provisions of 130 CMR 450.223(C)(5)(a) and (C)(5)(b), or a request by the Secretary in accordance with federal regulations at 42 CFR 420.205.

(C) The contractor may terminate a provider agreement only by written notice to the Division and such termination shall be effective no earlier than 30 days after the date on which the Division actually receives such notice, unless the Division explicitly specifies or agrees to an earlier effective date. Any provision allowing for termination upon written notice shall not constitute the Division's specification of or agreement to an earlier effective date.

450.228: Fiscal Agents: Disclosure of Information

(A) Every fiscal agent must disclose to the Division the information described in 130 CMR 450.222(B)(4) and (5) before entering into a contract with the Division.

(B) Within 35 days after the date of a written request by the Secretary or the Division, every fiscal agent must provide any information necessary to update fully and accurately, as of the date of the request, any information described in 130 CMR 450.228(A).

(C) The Division shall not approve a contract with a fiscal agent, and must terminate an existing contract, if the fiscal agent fails to comply with the provisions of 130 CMR 450.228.

(130 CMR 450.229 and 450.230 Reserved)