



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth

All Provider Bulletin 404

DATE: July 2025

TO: All Providers Participating in MassHealth

FROM: Mike Levine, Undersecretary for MassHealth

RE: Administrative and Billing Regulations – Reinforcing Sanctioning Process for "Past Due" Cost Reports

Overview

This bulletin outlines the administrative sanctions providers may face if they fail to complete annual cost report requirements. These rules apply to providers of the following fee-for-service MassHealth-covered services.

- Continuous Skilled Nursing: 130 CMR 438.000; 101 CMR 361.00
- Home Health: 130 CMR 403.000; 101 CMR 350.00
- Adult Day Health: 130 CMR 404.000; 101 CMR 310.00
- Adult Foster Care: 130 CMR 408.000; 101 CMR 351.00
- Group Adult Foster Care: 130 CMR 408.000; 101 CMR 351.00

Under 130 CMR 450.205, the Executive Office of Health and Human Services (EOHHS), as the single state agency authorized to administer the Massachusetts state Medicaid program known as "MassHealth," requires MassHealth providers who offer the above-referenced services to produce cost-related information required by the applicable rate regulation noted above.

These cost reports are required. The Center for Health Information and Analysis (CHIA) collects cost reports, typically on an annual basis, from these provider types to inform the process EOHHS uses to establish rates, pursuant to M.G.L. Chapter 118E, Sections 13C and 13D. This reporting requirement is applied uniformly to all providers, and compliance with these cost reporting requirements is necessary to enable EOHHS to establish accurate rates that reflect cost data from all providers.

Cost Reporting Process

CHIA notifies providers of their obligation to submit cost reports, as well as the related timelines for submitting the reports. To strengthen the cost-reporting process and with the aim of obtaining cost data from all providers, a sanction of \$100 per day, up to \$5,000, will be issued if providers do not submit all cost report requirements by the CHIA due date.

The sanction is calculated in accordance with 130 CMR 450.239. The sanction of \$5,000 is equivalent to 50 days past the cost report's due date. If a provider organization has a history of failing to comply with cost report filing requirements, EOHHS reserves the right to impose additional financial sanctions and/or penalties in accordance with applicable regulations.

Please also note that providers who have received a notice to file the cost report and believe that they are qualified for an exemption from filing, are not considered exempt until the exemption request form is received and approved by CHIA.

CHIA will deploy the cost reports and provide initial outreach to providers with the instructions and due date. Delinquent providers will receive a notice from MassHealth indicating that the cost report must be completed within the time specified in the notice. Providers who fail to submit the cost reports by the designated date will then receive a Notice of Sanction that includes an administrative fine as described above.

Dispute Procedures

To dispute a sanction, a provider agency must reply in writing to EOHHS, and EOHHS must receive the reply within 30 calendar days of the date of the Notice of Sanction. See 130 CMR 450.240(C). The reply must specifically identify and address all allegations in this notice with which your provider agency disagrees and explain any objection to the sanction. All communications to EOHHS concerning this matter, including any reply, should be sent via SECURE email to: support@masshealthtss.com.

EOHHS will consider and review only information submitted within a timely reply. If, after reviewing the reply, EOHHS determines that the provider agency is not in compliance with the requirement noted in this bulletin, it will notify the provider agency in writing of its final determination. The final determination notice will also contain information about the provider agency's right to an adjudicatory hearing. If the provider agency fails to submit a timely reply to this Notice, the provider agency will have no right to an adjudicatory hearing, and EOHHS will take appropriate action to continue to impose the sanction. This may include recouping against future payments that may otherwise be due.

MassHealth Website

This bulletin is available on the [MassHealth Provider Bulletins](#) web page.

[Sign up](#) to receive email alerts when MassHealth issues new bulletins and transmittal letters.

Questions

If you have questions about the information in this bulletin, please contact the Office of Long-Term Services and Supports:

Phone: (844) 368-5184 (toll free)

Email: support@masshealthtss.com

Portal: MassHealthLTSS.com

If you have specific questions concerning the cost reports and related requirements and timelines, please email CHIA at: Costreports.Pricing@chiamass.gov



[MassHealth on Facebook](#)



[MassHealth on LinkedIn](#)



[MassHealth on X](#)



[MassHealth on YouTube](#)