




Commonwealth of Massachusetts  
Executive Office of Health and Human Services  
Office of Medicaid  
[www.mass.gov/masshealth](http://www.mass.gov/masshealth)



MassHealth  
Transmittal Letter AOH-27  
May 2012

**TO:** Acute Outpatient Hospitals Participating in MassHealth  
**FROM:** Julian J. Harris, M.D., Medicaid Director   
**RE:** *Acute Outpatient Hospital Manual* (Out-of-State Services)

This letter transmits revisions to the *Acute Outpatient Hospital Manual* that clarify when out-of-state services are covered by MassHealth. It also describes changes in out-of-state acute outpatient hospital rates that are addressed in MassHealth's administrative and billing regulations. See 130 CMR 450.233.

### **Out-of-State Acute Outpatient Hospital Rates**

Effective for May 25, 2012, MassHealth is changing the way it pays for out-of-state acute outpatient hospital services. Effective for services provided on or after May 25, 2012, out-of-state acute outpatient hospitals will be paid at the median payment amount per episode (PAPE) in effect for in-state acute hospitals on the date of service, as calculated by EOHHS, or in accordance with the applicable fee schedule established by the Division of Health Care Finance and Policy for services for which in-state acute hospitals are not paid the PAPE.

These rates will be updated each subsequent MassHealth Hospital Rate Year (HRY). The MassHealth HRY generally is in effect from October 1, through September 30, of a given year, and are published on the MassHealth Web site at [www.mass.gov/masshealth/pubs](http://www.mass.gov/masshealth/pubs). Click on Special Notices for Hospitals.

These regulations are effective May 25, 2012.

### **MassHealth Web Site**

This transmittal letter and attached pages are available on the MassHealth Web site at [www.mass.gov/masshealth](http://www.mass.gov/masshealth).

### **Questions**

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](mailto:providersupport@mahealth.net), or fax your inquiry to 617-988-8974.

### **NEW MATERIAL**

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

#### **Acute Outpatient Hospital Manual**

Pages 4-5 and 4-6

### **OBSOLETE MATERIAL**

(The pages listed here are no longer in effect.)

#### **Acute Outpatient Hospital Manual**

Pages 4-5 and 4-6 — transmitted by Transmittal Letter AOH-18

|                                                                                |                                                                                   |                         |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------|
| <b>Commonwealth of Massachusetts<br/>MassHealth<br/>Provider Manual Series</b> | <b>Subchapter Number and Title</b><br>4. Program Regulations<br>(130 CMR 410.000) | <b>Page</b><br>4-5      |
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| Acute Outpatient Hospital Manual                                               |                                                                                   |                         |

Trimester – one of three three-month terms in a normal pregnancy. If the pregnancy has existed for less than 12 weeks, the pregnancy is in its first trimester. If the pregnancy has existed for 12 or more weeks but less than 24 weeks, the pregnancy is in its second trimester. If the pregnancy has existed for 24 or more weeks, the pregnancy is in its third trimester. For the purposes of 130 CMR 410.000, the elapsed period of gestation is calculated in accordance with regulations of the Massachusetts Department of Public Health.

Unit-Dose Distribution System – a means of packaging or distributing drugs, or both, devised by the manufacturer, packager, wholesaler, or retail pharmacist. A unit dose contains an exact dosage of medication and may also indicate the total daily dosage or the times when the medication should be taken. Such unit doses may or may not be in unit-dose packaging.

Vocational Rehabilitative Services – services such as vocational assessments, job training, career counseling, and job placement.

#### 410.403: Eligible Members

- (A) (1) MassHealth Members. MassHealth covers outpatient hospital services only when provided to eligible MassHealth members, subject to the restrictions and limitations described in MassHealth regulations. 130 CMR 450.105 specifically states, for each MassHealth coverage type, which services are covered and which members are eligible to receive those services.
- (2) 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.
- (B) For information on verifying member eligibility and coverage type, see 130 CMR 450.107.

#### 410.404: Provider Eligibility

Payment for the services described in 130 CMR 410.000 is made only to hospital outpatient departments participating in MassHealth on the date of service.

- (A) In State
- (1) To participate in MassHealth, acute hospital outpatient departments and hospital-licensed health centers located in Massachusetts must
- (a) operate under a hospital license issued by the Massachusetts Department of Public Health;
  - (b) have a signed provider agreement that specifies a payment methodology with the MassHealth agency; and
  - (c) participate in the Medicare program.
- (2) To participate in MassHealth, nonacute hospital outpatient departments located in Massachusetts must
- (a) operate under a hospital license issued by the Massachusetts Department of Public Health or the Massachusetts Department of Mental Health;
  - (b) have a signed provider agreement for participation in MassHealth; and
  - (c) participate in the Medicare program.

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(B) Out of State

- (1) Out-of-state hospital outpatient and hospital-licensed health center services provided to an eligible MassHealth member are covered in the following instances:
  - (a) emergency care hospital outpatient services provided to a member;
  - (b) hospital outpatient services provided to a member whose health would be endangered if the member were required to travel to Massachusetts;
  - (c) hospital outpatient services provided to a member when MassHealth determines on the basis of medical advice that the medical service is more readily available in the other state;
  - (d) it is general practice for members in a particular locality to use medical resources in another state;
  - (e) hospital outpatient services provided to a member who is authorized to reside or who is placed out of state by the Massachusetts Department of Social Services or by a Chapter 766 core team evaluation;
  - (f) hospital outpatient services provided to a member who has been authorized by the MassHealth agency to reside in an out-of-state nursing facility; or
  - (g) when prior authorization has been obtained from the MassHealth agency for nonemergency services provided to a member by an out-of-state hospital outpatient department that is more than 50 miles from the Massachusetts border.
- (2) To participate in MassHealth, an out-of-state hospital outpatient department or hospital-licensed health center must obtain a MassHealth provider number and meet the following criteria:
  - (a) it operates under a hospital license from or is approved as a hospital by the governing or licensing agency in its state;
  - (b) it participates in the Medicare program; and
  - (c) it participates in that state's Medicaid program (or equivalent).
- (3) Payment for out-of-state hospital outpatient and hospital-licensed health center services is made in accordance with 130 CMR 450.233.

410.405: Noncovered Services

- (A) The MassHealth agency does not pay for any of the following services:
- (1) nonmedical services, such as social, educational, and vocational services;
  - (2) cosmetic surgery;
  - (3) canceled or missed appointments;
  - (4) telephone conversations and consultations;
  - (5) court testimony;
  - (6) research or the provision of experimental, unproven, or otherwise medically unnecessary procedures or treatments, specifically including, but not limited to, sex-reassignment surgery, thyroid cartilage reduction and any other related surgeries and treatments, including pre- and post-sex-reassignment surgery hormone therapy. Notwithstanding the preceding sentence, the MassHealth agency will continue to pay for post-sex-reassignment surgery hormone therapy for which it had been paying immediately prior to May 15, 1993;
  - (7) the provision of whole blood; however, administrative and processing costs associated with the provision of blood and its derivatives are covered; and
  - (8) the treatment of male or female infertility (including, but not limited to, laboratory tests, drugs, and procedures associated with such treatment).