

Introduction

Good afternoon. My name is Davina Maddox, and I am the program manager for Freestanding Ambulatory Surgery Centers in the Executive Office of Health and Human Services (EOHHS). I am here to present testimony on the proposed amendments to 101 CMR 347.00: *Rates for Freestanding Ambulatory Surgery Center Services*. The proposed amendments are anticipated to be effective for dates of service on or after April 1, 2026.

Background

Regulation 101 CMR 347.00 governs payment to Freestanding Ambulatory Surgery Centers (FASCs) for services provided to publicly-aided individuals that are purchased by MassHealth and other state governmental units. FASCs are distinct entities that operate exclusively for the purpose of providing surgical services that do not require the availability of hospital facilities, are licensed by the Massachusetts Department of Public Health, and meet the conditions for payment by the purchaser for facility services. FASC rates established in 101 CMR 347.00 cover only the facility component of the provided service. Payment for the professional services of the appropriate practitioner performing the surgical procedure is made in accordance with the regulations for such practitioner's provider type.

Description of Changes

Effective for dates of service provided on or after April 1, 2026, the proposed amendments will make updates to terminology and maintain current rates for all FASC services established in 101 CMR 347.00. The proposed amendments also add all Ambulatory Surgical Center (ASC) procedure codes that were issued by the Centers for Medicare and Medicaid

Services (CMS) via the January 2025 CMS ASC File, with the exception of Category III Current Procedural Terminology (CPT) codes that are excluded from 101 CMR 347.00. Consistent with the current rate methodology, the rates for the new added codes will continue to be set at 85% of the corresponding January 2025 Medicare rates.

EOHHS also expects to expand service coverage by adding 12 procedure codes as payable codes to Subchapter 6 of the MassHealth FASC program regulation, 130 CMR 423.000. This proposed coverage expansion for the MassHealth FASC program does not require changes to 101 CMR 347.00, as the newly covered procedure codes already exist, with rates in 101 CMR 347.00. However, this coverage expansion is relevant to the estimated fiscal impact of the proposed amendments to 101 CMR 347.00, so EOHHS is acknowledging this change through staff testimony at this hearing.

The proposed amendments are in compliance with M.G.L. Chapter 118E Section 13C, which requires that rates established by EOHHS for health care services be “adequate to meet the costs incurred by efficiently and economically operated facilities providing care and services in conformity with applicable state and federal laws and regulations and quality and safety standards.”

Fiscal Impact

The estimated annual aggregate fiscal impact is \$26,000, or a 0.69% increase over the SFY2024 base spending of \$3.7 million. The aggregate fiscal impact results solely from the proposed coverage expansion, which will be implemented through changes to subchapter 6 of the MassHealth FASC program regulation, 130 CMR 423.000.

Testimony on Amendments to 101 CMR 347.00
Rates for Freestanding Ambulatory Surgery Center Services
Effective April 1, 2026
November 6, 2025

This concludes my testimony.

Thank you.