


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 ALL-186  
November 2011

**TO:** All Providers Participating in MassHealth  
**FROM:** Julian J. Harris, M.D., Medicaid Director   
**RE:** *All Provider Manuals* (Revised Regulations about NPI)

This letter transmits revisions to the administrative and billing regulations at 130 CMR 450.223. The revisions were made to comply with amendments to 42 CFR 431.107, which were enacted to comply with Section 6402(a) of the Affordable Care Act. The revisions specify that as part of a provider contract, the provider agrees to furnish to MassHealth its national provider identifier (NPI), if eligible for an NPI, and include its NPI on all claims submitted under MassHealth. These revisions were filed as an emergency and are **retroactive to July 6, 2010**.

#### **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.)

##### All Provider Manuals

Pages 2-15 through 2-18

#### OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

##### All Provider Manuals

Pages 2-15 through 2-18 — transmitted by Transmittal Letter ALL-154

<b>Commonwealth of Massachusetts MassHealth Provider Manual Series</b>  All Provider Manuals	<b>Subchapter Number and Title</b> 2. Administrative Regulations	<b>Page</b> 2-15
	<b>Transmittal Letter</b> ALL-186	<b>Date</b> 07/06/10

(10) Significant Business Transaction – any business transaction or series of transactions that, during any one fiscal year, exceed the lesser of \$25,000 or five percent of a provider's total operating expenses.

(11) Secretary – the Secretary of the U.S. Department of Health and Human Services or any successor agency.

(12) Subcontractor –

(a) an individual, agency, or organization to which a disclosing entity has contracted or delegated some of its management functions or responsibilities of providing medical care to its patients; or

(b) an individual, agency, or organization with which a fiscal agent has entered into a contract, agreement, purchase order, or lease (or leases of real property) to obtain space, supplies, equipment, or services provided under the MassHealth agreement.

(13) Supplier – an individual, agency, or organization from which a provider purchases goods and services used in carrying out its responsibilities under MassHealth (for example, a commercial laundry, a manufacturer of hospital beds, or a pharmaceutical firm).

(14) Wholly Owned Supplier – a supplier whose total ownership interest is held by a provider or by a person, persons, or other entity with an ownership or control interest in a provider.

(B) Determination of Ownership or Control Percentages. For the purposes of the definitions in 130 CMR 450.221(A), ownership or control percentages will be determined as follows.

(1) Indirect Ownership Interest. The amount of indirect ownership interest is determined by multiplying the percentages of ownership in each entity. For example, if A owns 10 percent of the stock in a corporation that owns 80 percent of the stock of the disclosing entity, A's interest equates to an eight-percent indirect ownership interest in the disclosing entity and must be reported. Conversely, if B owns 80 percent of the stock of a corporation that owns five percent of the stock of the disclosing entity, B's interest equates to a four-percent indirect ownership interest in the disclosing entity and need not be reported.

(2) Person with an Ownership or Control Interest. In order to determine percentage of ownership, mortgage, deed of trust, note, or other obligation, the percentage of interest owned in the obligation is multiplied by the percentage of the disclosing entity's assets used to secure the obligation. For example, if A owns 10 percent of a note secured by 60 percent of the provider's assets, A's interest in the provider's assets equates to six percent and must be reported. Conversely, if B owns 40 percent of a note secured by 10 percent of the provider's assets, B's interest in the provider's assets equates to four percent and need not be reported.

<b>Commonwealth of Massachusetts MassHealth Provider Manual Series</b>	<b>Subchapter Number and Title</b> 2. Administrative Regulations	<b>Page</b> 2-16
	<b>Transmittal Letter</b> ALL-186	<b>Date</b> 07/06/10
All Provider Manuals		

450.222: Provider Contract: Application for Contract

A person or entity may become a participating provider only by submitting an Application for Provider Contract. If approved by the MassHealth agency, the application will be part of any subsequent provider contract between the applicant and the MassHealth agency. Any omission or misstatement in the application will (without limiting any other penalties or sanctions resulting therefrom) render such contract voidable by the MassHealth agency.

450.223: Provider Contract: Execution of Contract

(A) If the provider applicant has filed a complete and properly executed application and meets all applicable provider eligibility criteria and nothing in the application or any other information in the possession of the MassHealth agency reveals any bar or hindrance to the participation of the provider applicant, the MassHealth agency will prepare and furnish a provider contract. When fully executed by the provider and the MassHealth agency, the contract will take effect as of the effective date determined by the MassHealth agency.

(B) Each MassHealth provider must notify the MassHealth agency in writing within 14 days of any change in any of the information submitted in the application. Failure to do so constitutes a breach of the provider contract. In no event may a group practice file a claim for services provided by an individual practitioner until the individual practitioner is enrolled and approved by the MassHealth agency as a member of the group. At its discretion, the MassHealth agency may require a provider to recertify, at reasonable intervals, the continued accuracy and completeness of the information contained in the provider's application.

(C) The following provisions are a part of every provider contract whether or not they are included verbatim or specifically incorporated by reference. By executing any such contract, the provider agrees

- (1) to comply with all laws, rules, and regulations governing MassHealth (see M.G.L. c. 118E, § 36);
- (2) that the submission of any claim by or on behalf of the provider constitutes a certification (whether or not such certification is reproduced on the claim form) that:
  - (a) the medical services for which payment is claimed were provided in accordance with 130 CMR 450.301;
  - (b) the medical services for which payment is claimed were actually provided to the person identified as the member at the time and in the manner stated;
  - (c) the payment claimed does not exceed the maximum amount payable in accordance with the applicable fees and rates or amounts established under a provider contract or regulations applicable to MassHealth payment;
  - (d) the payment claimed will be accepted as full payment for the medical services for which payment is claimed, except to the extent that the regulations specifically require or permit contribution or supplementation by the member;
  - (e) the information submitted in, with, or in support of the claim is true, accurate, and complete; and
  - (f) the medical services were provided in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975;

<b>Commonwealth of Massachusetts</b> <b>MassHealth</b> <b>Provider Manual Series</b>  All Provider Manuals	<b>Subchapter Number and Title</b> 2. Administrative Regulations	<b>Page</b> 2-17
	<b>Transmittal Letter</b> ALL-186	<b>Date</b> 07/06/10

(3) to keep for such period as may be required by 130 CMR 450.205 such records as are necessary to disclose fully the extent and medical necessity of services provided to or prescribed for members and on request to provide the MassHealth agency or the Attorney General's Medicaid Fraud Control Unit with such information and any other information regarding payments claimed by the provider for providing services (see 42 U.S.C. 1396a(a)(27) and the regulations thereunder);

(4) that the contract may be terminated by the MassHealth agency if the provider fails or ceases to satisfy all applicable criteria for eligibility as a participating provider;

(5) to submit, within 35 days after the date of a request by the Secretary or the MassHealth agency, full and complete information about:

(a) the ownership of any subcontractor with whom the provider has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request;

(b) any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the five-year period ending on the date of the request; and

(c) any information necessary to update fully and accurately any information that the provider has previously delivered to the MassHealth agency or to the Massachusetts Department of Public Health;

(6) that the MassHealth agency may recoup any sums payable by reason of a retroactive rate increase for any period during which the provider owned or operated part or all of a facility against any sums due the MassHealth agency by reason of a retroactive rate decrease for any periods;

(7) to comply with all federal requirements for employee education about false claims laws under 42 U.S.C. 1396a(a)(68) if the provider is an entity that received or made at least \$5 million in Medicaid payments during the prior federal fiscal year; and

(8) to furnish to the MassHealth agency its national provider identifier (NPI), if eligible for an NPI, and include its NPI on all claims submitted under MassHealth.

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

<b>Commonwealth of Massachusetts MassHealth Provider Manual Series</b>  All Provider Manuals	<b>Subchapter Number and Title</b> 2. Administrative Regulations	<b>Page</b> 2-18
	<b>Transmittal Letter</b> ALL-186	<b>Date</b> 07/06/10

450.224: Provider Contract: Exclusion and Ineligibility of Convicted Parties

The MassHealth agency may terminate, or refuse to enter into or to renew a provider contract if:

(A) the provider, any party in interest in such provider, an agent or managing employee of such provider, or in the case of a group practice, any individual practitioner enrolled as a member of the group, has been convicted of a criminal offense relating to that person's involvement in any program established under Title XVIII, XIX, or XXI of the Social Security Act, or of a crime of such a nature that, in the judgment of the MassHealth agency, the participation of such provider will compromise the integrity of MassHealth; or

(B) the provider or an individual practitioner enrolled as a member of a group practice 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 XXI of the Social Security Act, or of a crime of such a nature that, in the judgment of the MassHealth agency, the participation of such provider will compromise the integrity of MassHealth.

(130 CMR 450.225 Reserved)