



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



MassHealth
Transmittal Letter AOH-31
December 2013

TO: Acute Outpatient Hospitals Participating in MassHealth
FROM: Kristin L. Thorn, Medicaid Director 
RE: Acute Outpatient Hospital Manual (Revisions to MassHealth Regulations-Affordable Care Act)

This letter transmits revisions to the acute outpatient hospital program regulations in Subchapter 4 of the *Acute Outpatient Hospital Manual*.

The revised regulations implement changes in coverage for acupuncture and the diagnosis of infertility. These changes were prompted by requirements of the Affordable Care Act regarding coverage of Essential Health Benefits.

These regulations are effective January 1, 2014.

MassHealth Website

This transmittal letter and attached pages are available on the MassHealth website at 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, or fax your inquiry to 617-988-8974.

NEW MATERIAL

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

Acute Outpatient Hospital Manual

Pages iv, 4-1, 4-2, 4-5, 4-6, and 4-27 through 4-30

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Acute Outpatient Hospital Manual

Pages iv, 4-1, and 4-2 — transmitted by Transmittal Letter AOH-18

Pages 4-5 and 4-6 — transmitted by Transmittal Letter AOH-27

Pages 4-27 through 4-30 — transmitted by Transmittal Letter AOH-10

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410.401: Introduction

130 CMR 410.000 establishes the requirements for the provision of services by hospital outpatient departments and hospital-licensed health centers under MassHealth. For the purposes of 130 CMR 410.000, "hospital outpatient department" refers to both hospital outpatient departments and hospital-licensed health centers. MassHealth pays for outpatient visits and ancillary services (such as radiographic views, laboratory tests, medical supplies, and pharmacy items) that are medically necessary and appropriately provided, as defined at 130 CMR 450.204: *Medical Necessity*. The quality of such services must meet professionally recognized standards of care.

410.402: Definitions

The following terms used in 130 CMR 410.000 have the meanings given in 130 CMR 410.402 unless the context clearly requires a different meaning. The reimbursability of services defined in 130 CMR 410.402 is not determined by these definitions, but by application of regulations elsewhere in 130 CMR 410.000, and in 130 CMR 415.000: *Acute Inpatient Hospital Services* and 450.000: *Administrative and Billing Regulations*.

340B-Covered Entities – facilities and programs eligible to purchase discounted drugs through a program established by Section 340B of Public Health Law 102-585, the Veterans Health Act of 1992.

340B Drug-Pricing Program – a program established by Section 340B of Public Health Law 102-585, the Veterans Health Act of 1992, permitting certain grantees of federal agencies access to reduced cost drugs for their patients.

Acupuncture – the insertion of metal needles through the skin at certain points on the body, with or without the use of herbs, with or without the application of an electric current, and with or without the application of heat to the needles, skin, or both.

Acute Inpatient Hospital – a facility that is licensed as a hospital by the Massachusetts Department of Public Health and that provides diagnosis and treatment for patients who have any of a variety of medical conditions requiring daily physician intervention as well as full-time availability of physician services; however, this does not include any facility that is licensed as a chronic disease and rehabilitation hospital, any hospital that is licensed primarily to provide mental health services, or any unit of a facility that is licensed as a nursing facility, a chronic disease unit, or a rehabilitation unit.

Controlled Substance – a drug listed in Schedules II, III, IV, V, or VI of the Massachusetts Controlled Substances Act (M.G.L. c. 94C).

Cosmetic Surgery – a surgical procedure that is performed for the exclusive purpose of altering appearance and is unrelated to physical disease or defect, or traumatic injury.

Drug – a substance containing one or more active ingredients in a specified dosage form and strength. Each dosage form and strength is a separate drug.

Emergency – the unexpected onset of symptoms or a condition requiring immediate medical or surgical care, including, but not limited to, accidents and illnesses such as heart attack, stroke, poisoning, convulsions, loss of consciousness, and cessation of breathing.

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Family Planning – any medically approved means, including diagnosis, treatment, and related counseling, that assists individuals of childbearing age, including sexually active minors, in determining the number and spacing of their children.

Functional Level – the degree to which an individual can function in the community. Progressive levels of impaired functioning are evaluated using a MassHealth-approved scale that has specific criteria for emotional stability, vocational/educational productivity, social relations, and self-care.

Functional Maintenance Program – a planned combination of social, vocational, and recreational services designed for individuals disabled by a chronic mental illness who need continuing services to maintain skills that allow them to function within the community but who do not require the more intensive care of inpatient or day treatment programs.

Hospital – a facility that is licensed or operated as a hospital by the Massachusetts Department of Public Health or the Massachusetts Department of Mental Health and that provides diagnosis and treatment on an outpatient basis for patients who have any of a variety of medical conditions.

Hospital-Licensed Health Center – a facility not physically attached to a hospital that operates under the hospital's license, falls under the fiscal, administrative, and clinical management of the hospital, and provides services to patients on an outpatient basis.

Hospital Outpatient Department – a department or unit within the physical framework of the hospital that operates under the hospital's license and provides services to members on an outpatient basis. Hospital outpatient departments include day-surgery units, primary-care clinics, specialty clinics, and emergency departments.

Inpatient Services – medical services provided to a member admitted to an acute inpatient hospital.

Institutionalized Individual – an individual who is either:

- (1) involuntarily confined or detained under a civil or criminal statute in a correctional or rehabilitative facility, including a psychiatric hospital or other facility for the treatment of mental illness; or
- (2) confined under a voluntary commitment in a psychiatric hospital or other facility for the care and treatment of mental illness.

Interchangeable Drug Product – a product containing a drug in the same amounts of the same active ingredients in the same dosage form as another product with the same generic or chemical name that has been determined to be therapeutically equivalent (that is, “A-rated”) by the Food and Drug Administration for Drug Evaluation and Research (FDA CDER), or by the Massachusetts Drug Formulary Commission.

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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 the MassHealth program; 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 the 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); however, MassHealth does pay for the diagnosis of infertility.

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410.436: Abortion Services: Out-of-State Abortions

The Division will pay for an abortion performed in an out-of-state facility only if the abortion meets the conditions specified in 130 CMR 410.434 and if prior authorization is requested and received from the Division.

(A) The recipient, the referring physician, the hospital outpatient department, or a referral agency may request prior authorization from the Division in writing. The request must be made in accordance with the instructions for requesting prior authorization for abortion services in Subchapter 5 of the *Outpatient Hospital Manual*.

(B) If the Division authorizes the abortion, it will issue a prior authorization slip directly to the out-of-state facility. The facility must attach the prior authorization slip to the claim form when requesting payment from the Division.

(C) Out-of-state abortion services will be authorized only when such services are not available in a Massachusetts facility.

(D) Prior authorization is not required for abortion services provided in the situations described in 130 CMR 410.404(B)(1).

410.437: Family Planning Services

(A) Reimbursable Services. The Division will pay for hospital outpatient services related to the timing and spacing of children. These services may include but are not limited to the following:

- (1) nonpermanent contraceptive care;
- (2) comprehensive medical examination;
- (3) diagnosis and treatment of medical problems specific to reproduction as well as diagnosis of and appropriate referral for other medical problems;
- (4) venereal disease testing and treatment;
- (5) cervical cancer screening (Pap smear);
- (6) breast examination;
- (7) laboratory services related to family planning (for example, Pap smear, gonorrhea culture, vaginal culture and smear, blood test for venereal disease, hematocrit, complete blood count, urinalysis, and pregnancy testing); and
- (8) family planning counseling, including discussions about family planning, human reproduction, and methods of contraception.

(B) The Norplant System of Contraception.

(1) Eligible Providers. The Division will pay outpatient departments for the insertion, reinsertion, and removal of the Norplant System of Contraception (Norplant) when the services are provided by a salaried physician, nurse practitioner, nurse midwife, or physician assistant. In order for the hospital to claim payment for Norplant services, the clinician performing the procedure must be trained by either the manufacturer of Norplant or another clinician who has been trained by the manufacturer.

(2) Patient Selection, Counseling Prior to Insertion, and Follow-Up.

(a) In order to prevent premature removal of Norplant, the Division requires careful patient selection and counseling prior to insertion. Counseling must be in accordance with the manufacturer's guidelines, and must include a detailed discussion of potential side effects, contraindications, benefits and risks, and other contraceptive options.

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(b) A visit following insertion is also required as a condition of reimbursement. The visit must include an examination of the insertion site for complications, a review of potential side effects, and follow-up instructions. If more than one follow-up visit is necessary, the provider should bill each as a separate visit.

(c) The provider must make every effort possible to ensure that the recipient returns for the follow-up visit. This shall include, but not be limited to, scheduling the follow-up appointment on the day of insertion, recording the day of the follow-up appointment in the recipient's chart, mailing a reminder notice to the recipient, and reminding the recipient by telephone during the week of the scheduled appointment. The provider must document in the medical record the efforts made to ensure that the recipient returns for the follow-up visit. In order to ensure payment for the procedure, the provider must also document if the recipient fails to return for the follow-up visit.

(3) Service Limitations.

(a) The Division will pay for the insertion and reinsertion of Norplant for female recipients of childbearing age with menstrual histories. The Department will pay for the removal of Norplant for female recipients of all ages.

(b) The Division will pay for the insertion or reinsertion of Norplant only once per recipient per five-year period.

(c) If the recipient has a Norplant device implanted, no other form of contraception should be prescribed, with the exception of condoms. If the Norplant device is removed for any reason, however, the Division will pay for alternative types of contraception.

410.438: Acupuncture

(A) Introduction. MassHealth members are eligible to receive acupuncture for the treatment of pain as described in 130 CMR 410.438(C), for use as an anesthetic as described in 130 CMR 433.454(C): *Acupuncture as an Anesthetic*, and for use for detoxification as described in 130 CMR 418.406(C)(3): *Acupuncture Detoxification*.

(B) General. 130 CMR 410.438 applies specifically to acupuncture services rendered in a hospital by physicians and licensed practitioners of acupuncture.

(C) Acupuncture for the Treatment of Pain. MassHealth provides a total of 20 sessions of acupuncture for the treatment of pain per member per year without prior authorization. If the member's condition, treatment, or diagnosis changes, the member may receive more sessions of medically-necessary acupuncture treatment with prior authorization.

(D) Provider Qualifications for Acupuncture.

(1) Qualified Providers.

(a) Physicians

(b) Other practitioners who are licensed in acupuncture by the Massachusetts Board of Registration in Medicine under 243 CMR 5.00: *The Practice of Acupuncture*.

(2) Supervising Physicians. Supervising physicians must ensure that acupuncture practitioners for whom the physician will submit claims, possess the appropriate training, credentials, and licensure.

(E) Conditions of Payment. The MassHealth agency pays the hospital for services of an acupuncturist (in accordance with 130 CMR 410.438(F)) when the:

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- (1) services are limited to the scope of practice authorized by state law or regulation (including but not limited to 243 CMR 5.00: *The Practice of Acupuncture*);
- (2) the acupuncturist has a current license or certificate of registration from the Massachusetts Board of Registration in Medicine; and
- (3) services are provided pursuant to a supervisory arrangement with a physician.

(F) Acupuncture Claims Submissions.

- (1) Hospitals may submit claims for on-site acupuncture services when physicians provide those services to MassHealth members or as an exception to 130 CMR 450.301(A) when a licensed practitioner under the supervision of a physician provides those services directly to MassHealth members. See Subchapter 6 of the *Acute Outpatient Manual* for service code descriptions and billing requirements.
- (2) For MassHealth members receiving services under any of the acupuncture codes on the same date of service as a visit, the hospital may bill for both the visit and the acupuncture services performed or supervised by a hospital-based physician.

(130 CMR 410.439 through 410.440 Reserved)

410.441: Early Intervention Program Services

- (A) An early intervention program provides services such as therapy and social, medical, educational, and developmental services for children aged three years or younger who are at biological, environmental, or established risk, and for their families.
- (B) The MassHealth agency pays for services provided as part of an organized early intervention program by hospital outpatient departments. These services must be furnished in compliance with the MassHealth regulations governing early intervention program services in 130 CMR 440.000. (See Subchapter 5 of the *Outpatient Hospital Manual* for instructions about obtaining the *Early Intervention Program Manual*, which contains the necessary regulations.)
- (C) Acute and nonacute hospital-based early intervention programs are paid according to the regulations governing early intervention services in 130 CMR 440.000: *Early Intervention Program Services*.

410.442: Home Health Agency Services

- (A) A home health agency is a public or private agency or organization, or a subdivision of such an agency or organization that is primarily engaged in furnishing part-time skilled nursing and other therapeutic services to patients in their homes.
- (B) The MassHealth agency pays for home health services provided by hospital-based home health agencies. These services must be furnished in compliance with the MassHealth regulations governing home health agency services in 130 CMR 403.000: *Home Health Agency*. (See Subchapter 5 of the *Outpatient Hospital Manual* for information about obtaining the *Home Health Agency Manual*, which contains the necessary regulations.)
- (C) Acute hospital-based home health agencies will be paid according to the outpatient payment methodology established by the signed MassHealth provider agreement.

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(D) Nonacute hospital-based home health agencies are paid according to the regulations governing home health services in 130 CMR 403.000: *Home Health Agency*.

410.443: Adult Day Health Program Services

(A) An adult day health program is an organized program of health care and supervision, restorative services, and social activities whose general goal is to provide an alternative to long-term institutional care.

(B) The MassHealth agency pays for services provided as part of an organized adult day health program by a hospital outpatient department. These services must be furnished in accordance with the MassHealth regulations governing adult day health programs in 130 CMR 404.000: *Adult Day Health Services*. (See Subchapter 5 of the *Outpatient Hospital Manual* for information about obtaining the *Adult Day Health Manual*, which contains the necessary regulations.)

(C) Acute hospital-based adult day health programs will be paid according to the outpatient payment methodology established by the signed MassHealth provider agreement.

(D) Nonacute hospital-based adult day health programs will be paid according to the regulations governing adult day health services in 130 CMR 404.000: *Adult Day Health Services*.

410.444: Adult Foster Care Services

(A) An adult foster care program provides room, board, and personal care services in a family-like setting to elderly or disabled individuals who are at imminent risk of institutional placement.

(B) The MassHealth agency pays for services provided by hospital-based adult foster care programs. These services must be furnished in compliance with the "Adult Foster Care Guidelines" issued by the MassHealth agency. (See Subchapter 5 of the *Outpatient Hospital Manual* for information about obtaining the "Guidelines" and the *Adult Foster Care Manual*.)

(C) Acute hospital-based adult foster care programs will be paid according to the outpatient payment methodology established by the signed MassHealth provider agreement.

(D) Nonacute hospital-based adult foster care programs will be paid according to the payment methodology established by the Office of Purchased Services in the Executive Office of Administration and Finance.