



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Medical Assistance

600 Washington Street
Boston, MA 02111
www.mass.gov/dma

MASSHEALTH
TRANSMITTAL LETTER AIH-39
March 2003

TO: Acute Inpatient Hospitals Participating in MassHealth

FROM: Douglas S. Brown, Acting Commissioner 

RE: *Acute Inpatient Hospital Manual* (Nonpayment of Services after 20 Days and ADs for Members Aged 21 and Older)

This letter transmits revisions to the acute inpatient regulations. The Division has revised its regulations to eliminate payment for inpatient hospital services after 20 days and administrative days (ADs), for members who are aged 21 or older, unless such services are provided in a distinct part psychiatric unit.

These regulations are effective April 1, 2003.

NEW MATERIAL

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

Acute Inpatient Hospital Manual

Pages 4-1 through 4-4

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Acute Inpatient Hospital Manual

Pages 4-1 and 4-2 — transmitted by Transmittal Letter AIH-34

Pages 4-3 and 4-4 — transmitted by Transmittal Letter AIH-33

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415.401: Introduction

The regulations in 130 CMR 415.000 establish the requirements for the provision of services by acute inpatient hospitals under MassHealth. The word "hospital" in 130 CMR 415.000 refers specifically to an acute inpatient hospital or unit only, unless the context clearly indicates otherwise. The Division pays for inpatient hospital services that are medically necessary and appropriately provided as defined by 130 CMR 450.204. The quality of such services must meet professionally recognized standards of care.

415.402: Definitions

The following terms used in 130 CMR 415.000 have the meanings given in 130 CMR 415.402 unless the context clearly requires a different meaning. The reimbursability of services defined in 130 CMR 415.402 is not determined by these definitions, but by application of regulations elsewhere in 130 CMR 415.000, and in 130 CMR 410.000 and 450.000.

Abuse – a nonaccidental physical injury to an individual inflicted by another person that causes or creates a substantial risk of death or protracted impairment of any bodily organ or function; or the commission of sex offenses against an individual, as defined in the criminal laws of Massachusetts.

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.

Administrative Day – a day of inpatient hospitalization on which a member's care needs can be provided in a setting other than an acute inpatient hospital as defined in 130 CMR 415.402 and on which a member is clinically ready for discharge.

Agent – a party designated by the Division to act on its behalf in instances when the Division itself does not perform the required function.

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.

Day of Discharge – the day on which a member leaves the hospital, regardless of the hour. The day of death is also considered the day of discharge. A leave of absence is not considered a discharge.

Discharge Planner – a registered nurse or a social worker either licensed or eligible for and in the process of applying for licensure by the Commonwealth of Massachusetts whose primary responsibility is discharge planning.

Discharge Planning – the coordinated effort of the discharge-planning staff of a hospital to locate appropriate placement for members who no longer require hospitalization.

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Distinct Part Psychiatric Unit – An acute hospital’s psychiatric unit that meets all of the requirements of 42 CFR Part 412.

Inpatient Admission – the admission of a member to an acute inpatient hospital for the purposes of receiving inpatient services in that hospital.

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

Institutionalized Individual – an individual who is: (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 care and 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.

Leave-of-Absence Day – a day during which a bed in an acute inpatient hospital is reserved for a member who leaves the facility and for whom no formal discharge and readmission procedures occur.

Length of Stay – the duration of a member's inpatient hospital stay at a Medicare hospital level of care during a medical leave of absence.

Medical Leave of Absence – an inpatient hospital stay of a member who is a resident of a nursing facility for up to 10 consecutive days in a hospital at a Medicare hospital level of care. The day on which a member is transferred from a nursing facility to a hospital for an inpatient stay is the first day of the medical leave of absence from the nursing facility. The day on which a member is transferred from a hospital back to a nursing facility or is otherwise discharged to a noninstitutional setting is not a medical leave-of-absence day.

Medicare Hospital Level of Care – a level of care that meets all criteria, as determined by the Centers for Medicare and Medicaid Services or its agent, for Medicare reimbursement for hospital care.

Mentally Incompetent Individual – an individual who has been declared mentally incompetent by a federal, state, or local court of competent jurisdiction for any purpose, unless the individual has been declared competent for purposes that include the ability to consent to sterilization.

Neglect – failure by a financially able caretaker responsible for an individual to provide adequate food, clothing, shelter, education, medical care, proper supervision, or guardianship that results in the individual's present avoidable suffering. The caretaker is considered capable of adequately providing these necessities if the caretaker is financially able to do so or is offered other reasonable means to do so.

Nursing Facility – a long-term-care institution that meets the provider eligibility and certification requirements of 130 CMR 456.005 or 456.006.

Observation Services – outpatient hospital services provided anywhere in an acute inpatient hospital, to evaluate a member’s condition and determine the need for admission to an acute inpatient hospital. Observation services are provided under the order of a physician, consist of the use of a bed and intermittent monitoring by professional licensed clinical staff, and may be provided for more than 24 hours.

Outpatient Hospital Services – medical services provided to a member in a hospital outpatient department. Such services include, but are not limited to, emergency services, primary-care services, observation services, ancillary services, day-surgery services, and recovery-room services.

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Outpatient Services – medical services provided to a member in an outpatient setting including but not limited to hospital outpatient departments, hospital-licensed health centers, physicians’ offices, nurse practitioners’ offices, freestanding ambulatory surgery centers, day treatment centers, or the member’s home.

Reasonable Distance – generally, 25 miles from the home or usual noninstitutional residence of the member. This definition does not preclude longer distances in such instances as, but not limited to, rural areas or in cases where the member has no family or regular visitors.

Reconstructive Surgery – a surgical procedure that is performed to correct, repair, or ameliorate the physical effects of physical disease or defect (for example, correction of a cleft palate), or traumatic injury.

Sterilization – any medical procedure, treatment, or operation that renders an individual permanently incapable of reproducing. A sterilization is "nontherapeutic" when the individual has chosen sterilization as a permanent method of contraception. A sterilization is "therapeutic" when it occurs as a necessary part of the treatment of an existing illness or injury or is medically indicated and performed in conjunction with surgery upon the genito-urinary tract.

Utilization Review Coordinator – an individual responsible for utilization review in a hospital.

Working Days – Monday through Friday except for legal holidays.

415.403: Eligible Members

(A) MassHealth Members. The Division pays for acute inpatient hospital services provided to MassHealth members, subject to the restrictions and limitations described in the Division’s regulations. 130 CMR 415.000 describes the services covered and the members covered under each provider type.

(B) 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.

(C) Age Limitations. In addition to any other restrictions and limitations set forth in 130 CMR 415.403 and 450.000, the Division covers inpatient services of more than 20 days and administrative days only when provided to eligible MassHealth members under age 21, unless such services are provided in a distinct part psychiatric unit.

415.404: Provider Eligibility

Payment for the services described in 130 CMR 415.000 will be made only to acute inpatient hospitals participating in MassHealth as of the date of service.

(A) In State. To participate in MassHealth, an acute inpatient hospital located in Massachusetts must:

- (1) be licensed as a hospital by the Massachusetts Department of Public Health;
- (2) have a signed provider agreement that specifies a reimbursement methodology with the Division of Medical Assistance; and
- (3) participate in the Medicare program.

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(B) Out of State.

(1) Out-of-state acute inpatient hospital services are covered only as provided in 130 CMR 450.109.

(2) To participate in MassHealth, an out-of-state acute inpatient hospital must obtain a MassHealth provider number and meet the following criteria:

- (a) be approved as an acute inpatient hospital by the governing or licensing agency in its state;
- (b) participate in the Medicare program; and
- (c) participate in that state's Medical Assistance Program (or equivalent).

415.405: Utilization Management Program

The Division pays for procedures and hospital stays that are subject to the Utilization Management Program only if the requirements of the program, as described in 130 CMR 450.207 through 450.211, are satisfied. Appendix E of the *Acute Inpatient Hospital Manual* contains the name, address, and telephone number of the contact organization for the Utilization Management Program and describes the information that must be provided as part of the review process.

415.406: Payment Methodology

Payments to acute inpatient hospitals in Massachusetts for services provided to MassHealth members equals the rate established in the signed provider agreement with the Division.

415.407: Covered Administrative Days: Payment Methodology

Payment for covered administrative days provided on or after October 1, 1991, is made in accordance with the methodology established by the signed provider agreement with the Division. The per diem rate must be accepted by the hospital as payment in full for all days determined to be administratively necessary, in accordance with 130 CMR 415.414.

415.408: Nonpayable Services

The following are not payable:

(A) drugs and durable medical equipment prescribed for take-home use that are readily available from pharmacies or medical providers;