

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, M/S S3-14-28  
Baltimore, MD 21244-1850



**Center for Medicaid and CHIP Services (CMCS)**

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**APR 19 2013**

Roderick L. Bremby, Commissioner  
Department of Social Services  
25 Sigourney Street  
Hartford, CT 06106-5033

RE: TN 12-021

Dear Mr. Bremby:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-021. This amendment proposes a new target amount per discharge and child psychiatric per diems for the new entity created by the merger of two hospitals within the state. The new target and per diems will be the average of the current targets and per diems for each hospital based on estimated discharges and days for the year ended March 31, 2011.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. The Medicaid State plan amendment 12-021 is approved effective September 12, 2012. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,  
/s/

Cindy Mann  
Director, CMCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: 12-021	2. STATE: CT
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR, CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 9/12/2012	
5. TYPE OF STATE PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1905 (a)(1) of the Social Security Act 42 CFR 440.10 and 42 CFR 447.253(a)(b)and(c)	7. FEDERAL BUDGET IMPACT: a. FFY 2012      \$ 0 no fiscal impact b. FFY 2013      \$ 0 no fiscal impact
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-A Page 1 (ii) Attachment 4.19-A Page 1 (iii) Attachment 4.19-A Page 1 (iv)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable) Attachment 4.19-A Page 1 (ii) Attachment 4.19-A Page 1 (iii) Attachment 4.19-A Page 1 (iv)

10. SUBJECT OF AMENDMENT:  
Revision of inpatient reimbursement rates for the merger of Yale-New Haven Hospital and Hospital of Saint Raphael.

11. GOVERNOR'S REVIEW (Check One):  
 GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCL  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/	16. RETURN TO:  State of Connecticut Department of Social Services 25 Sigourney Street Hartford, CT 06106-5033  Attention: Ginny Mahoney, Medical Policy
TYPED NAME: Roderick L. Bremby	
14. TITLE: Commissioner	
15. DATE SUBMITTED: September 28, 2012	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: APR 19 2013
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME:	22. TITLE:
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Connecticut

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Methods and Standards for Establishing Payment Rates - Inpatient Hospital Care (continued)

(with addition of ten percent incentive, if applicable) increased by 6.5%; or (2) 80% of the cost per discharge per the 2005 cost report filings, but not to exceed \$10,750 per discharge or 142.5% of the 2007 Medicaid Cost Per Discharge (with addition of ten percent incentive, if applicable). Hospitals qualifying for an allowable cost per discharge increase under (1) or (2), shall not receive the ten percent incentive identified in Section 4005 of Public Law 101-508.

Effective April 1, 2009, general acute care hospital inpatient rates shall be adjusted for admissions that meet the criteria established in section 1(k) of the Addendum to Attachments 3.1-A and 3.1-B, Page 1(b). The methodology is as follows:

1. Hospitals are required to run all Medicaid claims through a Medicare diagnosis-related grouper to determine the Medicare payment amount with and without the present on admission indicator.
2. Hospitals are required to report to the Department all Medicaid claims with a present on admission indicator where Medicare payment was reduced. The report shall include the payment amount with the indicator and the payment amount without the indicator.
3. The Department will calculate the Medicare payment reduction percentage and apply this same percentage reduction to the Medicaid allowed amount per discharge during the annual cost settlement.

Effective September 12, 2012, inpatient hospital target amounts per discharge shall be:

	Target
BACKUS	\$4,201.23
BRIDGEPORT	\$6,256.96
BRISTOL	\$3,590.39
DANBURY	\$5,377.29
DAY KIMBALL	\$3,866.90
DEMPSEY	\$11,030.55
GREENWICH	\$5,874.16
GRIFFIN	\$4,225.19
HARTFORD	\$6,694.01
HOSP OF CEN. CT	\$4,170.67
HUNGERFORD	\$4,100.33
JOHNSON	\$3,225.21
LAWRENCE MEM.	\$4,520.92
MANCHESTER	\$4,842.67
MIDSTATE	\$3,900.75
MIDDLESEX	\$4,546.39
MILFORD	\$3,822.82
NEW MILFORD	\$5,975.37
NORWALK	\$5,803.77

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ROCKVILLE	\$3,679.08
SAINT FRANCIS	\$6,228.67
SAINT MARY	\$5,533.39
SAINT VINCENT	\$5,190.27
SHARON	\$3,447.13
STAMFORD	\$4,568.92
WATERBURY	\$4,868.02
WINDHAM	\$3,828.28
YALE-NEW HAVEN	\$6,450.01

Effective January 1, 2012, the per diem rate for general acute care children's hospitals, defined as any hospital which, on January 1, 2012, is within the class of hospitals licensed by the Department of Public Health as children's general hospitals, shall be:

	Per Diem
CONNECTICUT CHILDREN'S MEDICAL CENTER (CCMC)	\$2,172.85

Effective September 12, 2012, inpatient hospital psychiatric per diem rates for children under 19 years of age will differentiate between medically necessary acute days and medically necessary discharge delay days. Such rates shall be as follows:

	Child Psychiatric Inpatient Per Diem	
	Medically Necessary Acute Days	Medically Necessary Discharge Delay Days
BACKUS	\$677.78	\$576.11
BRIDGEPORT	\$765.34	\$650.54
BRISTOL	\$721.54	\$613.31
CCMC	\$1,730.25	\$1,470.71
DANBURY	\$742.18	\$630.86
DAY KIMBALL	\$623.80	\$530.23
DEMPSEY	\$776.29	\$659.85
GREENWICH	\$649.78	\$552.31
GRIFFIN	\$728.08	\$618.87
HARTFORD	\$854.66	\$726.46

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HOSP OF CEN. CT	\$735.41	\$625.10
HUNGERFORD	\$752.45	\$639.58
JOHNSON	\$766.01	\$651.11
LAWRENCE MEM.	\$697.32	\$592.72
MANCHESTER	\$722.69	\$614.29
MIDSTATE	\$827.74	\$703.58
MIDDLESEX	\$776.67	\$660.17
NORWALK	\$785.51	\$667.69
SAINT FRANCIS	\$718.33	\$610.58
SAINT MARY	\$664.74	\$565.03
SAINT VINCENT	\$822.52	\$699.14
STAMFORD	\$781.03	\$663.88
WATERBURY	\$831.38	\$706.67
YALE-NEW HAVEN	\$906.06	\$770.19

Such per diem rates are inclusive of all hospital service fees and hospital-based professional services. Payment shall continue as long as placement in this level of care is appropriate. Pediatric psychiatric inpatient payments and patient days shall be excluded from Medicaid Cost Per Discharge settlement.

Effective January 1, 2012, per diem rates for intermediate Child and Adolescent Rapid Emergency Stabilization Services (CARES) provided in a designated general hospital unit with an approved Certificate of Need that specifically provides for the operation of a CARES unit for such services shall be:

Days 1-3: \$1,175.00 per diem

Such per diem rates are inclusive of all hospital service fees and hospital-based professional services. Payment shall be limited to 3 days, except that for those children authorized by the Department for admission to the Connecticut state operated psychiatric residential treatment facility or to a specialized out-of-state residential or hospital facility, payment shall be permitted beyond the 3-day limit at \$1,175.00 per day. The Department may otherwise authorize payment beyond the 3-day limit on an exception basis.