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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

July 11, 2018

Roderick Bremby, Commissioner
Department of Social Services
55 Farmington Avenue
Hartford, CT 06105

Dear Commissioner Bremby:

We are pleased to enclose via email a copy of approved Connecticut State Plan Amendment (SPA) No. 17-021, submitted to my office on September 29, 2017 and approved on June 25, 2018. This SPA amends Attachment 4.19-B of the Medicaid State Plan in order to continue the supplemental payments to the state government owned and operated hospital. The supplemental payments were initially implemented effective July 1, 2016, as part of the change to a reimbursement methodology using an ambulatory payment classification (APC) system based on Medicare's system but modified for Connecticut's Medicaid program.

Supplemental payments of up to \$8.2 million will continue to be made starting with SFY 2018, not to exceed the room under the upper payment limit as shown in the annual demonstration.

As described in the SPA, the APC conversion factor for acute care general hospitals other than children's hospitals will be increased by 6.5%, which is estimated to increase aggregate expenditures by approximately \$14.6 million for state fiscal year (SFY) 2018 and \$35 million for SFY 2019. Supplemental payments will total \$85.4 million for SFY 2018 and \$65 million for SFY 2019.

This SPA has been approved effective July 1, 2017, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

- Addendum Page 1e to Attachment 4.19B, Page 1

If you have any questions regarding this matter you may contact Marie DiMartino (617) 565-9157 or by e-mail at Marie.DiMartino@cms.hhs.gov

Sincerely,

/S/

Richard R. McGreal

Associate Regional Administrator

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES**

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
17-0021

2. STATE: CT

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE:
July 1, 2017

5. TYPE OF STATE PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1905(a)(2)(A) of the Social Security Act and
42 CFR 440.20(a)

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 \$1.4 million
b. FFY 2018 \$5.6 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Addendum Page 1e to Attachment 4.19-B Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Addendum Page 1e to Attachment 4.19-B Page 1

10. SUBJECT OF AMENDMENT: Effective July 1, 2017, SPA 17-0021 amends Attachment 4.19-B of the Medicaid State Plan in order to continue the supplemental payments to the state government owned and operated hospital. The supplemental payments were initially implemented effective July 1, 2016, as part of the change to a reimbursement methodology using an ambulatory payment classification (APC) system based on Medicare's system but modified for Connecticut's Medicaid program. Supplemental payments of up to \$8.2 million will continue to be made starting with SFY 2018, not to exceed the room under the upper payment limit as shown in the annual demonstration.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME: Roderick L. Bremby

14. TITLE: Commissioner

15. DATE SUBMITTED:
September 29, 2017

16. RETURN TO:

State of Connecticut
Department of Social Services
55 Farmington Avenue- 9th floor
Hartford, CT 06105
Attention: Ginny Mahoney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: September 29 2-17

18. DATE APPROVED: June 25, 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2017

20. SIGNATURE OF REGIONAL OFFICIAL:
/S/

21. TYPED NAME: Richard R. McGreal

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health Operations

23. REMARKS:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Connecticut**

**Supplemental Reimbursement to State Government Owned or Operated General Acute
Care Hospitals for Providing Outpatient Hospital Services**

Supplemental payments shall be made to the state government owned and operated hospital for the difference in payments between the CMAP OPPS/APC reimbursement methodology and the previously approved methodology up to the amount of \$8.2 million for the state fiscal year ending June 30, 2017. The payments shall be made quarterly.

Payments of up to \$8.2 million shall be made each state fiscal year starting with the state fiscal year ending June 30, 2018, not to exceed the room under the upper payment limit as shown in the annual demonstration. The payments shall be made quarterly.