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State/Territory Name: CT

State Plan Amendment (SPA) #:17-0023

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DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

Roderick L. Bremby, Commissioner
Department of Social Services
55 Farmington Avenue 9th Floor
Hartford, CT 06105

JUN 21 2018

RE: Connecticut 17-0023

Dear Commissioner Bremby:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 17-0023. Effective July 1, 2017, this amendment implements inpatient supplemental payments for inpatient hospital services to specified acute care hospitals in the amount of \$435.2 million for state fiscal year (SFY) 2018 and \$353.5 million for SFY 2019..

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. We are pleased to inform you that Medicaid State plan amendment 17-0023 is approved effective July 1, 2017. 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,

A solid black rectangular box used to redact the signature of Kristin Fan.

Kristin Fan,
Director

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:
17-0023

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:
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)(1) of the Social Security Act and
42 CFR 440.10 and 447.253(a), (b), and (c)

7. FEDERAL BUDGET IMPACT:
FFY 2017 \$72.9 million
FFY 2018 \$277.9 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Page 1(x)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Attachment 4.19-A, Page 1(x)

10. SUBJECT OF AMENDMENT: Effective July 1, 2017, this SPA amends Attachment 4.19-A of the Medicaid State Plan to implement Medicaid inpatient supplemental payments for inpatient hospital services to specified acute care hospitals. As described in the SPA, the supplemental payments largely follow the same criteria as the supplemental payment effective for State Fiscal Year (SFY) 2017 (described in approved SPA 16-0018), with the following changes: (1) Medicaid revenue is calculated using Federal Fiscal Year (FFY) 2016 Office of Health Care Access (OHCA) filings instead of FFY 2014, (2) the total amount has changed, and (3) the total is split into two components that use the same distribution methodology except that one is capped and one is not capped. The capped component is \$250 million with a cap of \$70 million on Medicaid inpatient revenues for SFY 2018 and a cap of \$80 million on Medicaid inpatient revenues for SFY 2019. The uncapped component is \$185.2 million in SFY 2018 and \$103.5 million in SFY 2019. Aggregate totals are \$435.2 million for SFY 2018 and \$353.5 million for SFY 2019.

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:

16. RETURN TO:

13. TYPED NAME: Roderick L. Bremby

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

14. TITLE: Commissioner

15. DATE SUBMITTED:
September 29, 2017

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

JUN 21 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Kristin Fan

22. TITLE: Director

23. REMARKS: Pen & ink changes per state request. Box 7 and Box 10

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

(2) Supplemental Reimbursement for Inpatient Hospital Services.

Supplemental payments to eligible hospitals shall be made from a pool of funds in the amount of \$435.2 million for the year ending June 30, 2018 (SFY 2018) and \$353.5 million for the year ending June 30, 2019 (SFY 2019). The payments shall be made periodically throughout each fiscal year.

(a) Hospitals eligible for supplemental payments under this paragraph are short-term general hospitals other than short-term children's general hospitals and short-term acute care hospitals operated exclusively by the State, other than a short-term acute care hospital operated by the State as a receiver.

(b) Payments shall be split into two components with differing distribution methodologies.

(c) The first component shall be a total pool of \$250 million for each state fiscal year. Each eligible hospital's share of the supplemental payment pool shall be equal to that hospital's pro rata share of the total Medicaid inpatient revenues of all eligible hospitals in the aggregate. For purposes of this supplemental payment, "Medicaid inpatient revenues" means payments for Medicaid inpatient hospital services provided in federal fiscal year 2016 to each eligible hospital up to a maximum of \$70 million for SFY 2018 per hospital and \$80 million for SFY 2019 per hospital as reported as Medicaid inpatient accrued payments in each hospital's filing with the State of Connecticut Office of Health Care Access (OHCA). Each hospital's share of the supplemental payment pool is subject to adjustment if its Medicaid inpatient revenue as reported by the hospital on OHCA Reports 500 and 550 is audited. There shall be no further redistribution of inpatient hospital supplemental payments after adjustments are made based on such audit.

(d) The second component shall be a total pool of \$185.2 million for the year ending June 30, 2018 and \$103.5 million for the year ending June 30, 2019. It shall be allocated to eligible hospitals using the same methodology described in subsection (c) except there will be no cap on total Medicaid inpatient revenues used to determine each hospital's pro rata share of Medicaid inpatient hospital revenues.

JUN 21 2018

