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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

September 26, 2017

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

Dear Commissioner. Bremby:

Enclosed is a copy of approved Connecticut State Plan Amendment (SPA) No. 17-0007, with an effective date of March 1, 2017. This SPA amends reimbursement for items of durable medical equipment (DME), including increasing fees for certain items; restructuring soft limits for items which require prior authorization (PA); discontinuing certain codes for lack of utilization; setting a cap on repairs for certain orthotics and prosthetics which can be waived with prior authorization; and reduction in payment for certain items to reflect level of reimbursement of neighboring states.

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.

Because the proposed SPA would reduce or restructure provider payment rates, Connecticut was required to demonstrate that the payments are consistent with efficiency, economy and quality of care and sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that these services are available to the general population, as established in Section 1902(a)(30)(A) of the Social Security Act and codified in 42 CFR 447.203 and 42 CFR 447.204. Connecticut demonstrated compliance with 42 CFR 447.203(b)(6) by completing an access review and analysis for the impacted services and establishing procedures to monitor continued access to care following implementation of the rate reductions or restructuring. Connecticut also met the requirements of 447.203 (b)(1) through 447.203(b)(6) and 447.204(a)(1) by adding DME to the Access Monitoring Review Plan (AMRP) as required by the rule and by including data and analysis related specifically to this reduction in payment rates, to be monitored for a three year period. Additionally, the state was required to adhere to the public process requirements set forth in 42 CFR 447.204, which was demonstrated. If access deficiencies are identified, the state will submit a corrective action plan within 90 days of identification.

Based on CMS's review of this information, CMS approving this SPA as the state has demonstrated a process consistent with the requirements of Section 1902(a)(30)(A) of the Social Security Act, as well as implementing regulations at §447.203 and the public process and notice requirements described in §§447.204 and 447.205. Consistent with aforementioned regulations, the state has

Page 2 – Roderick Bremby, Commissioner

committed to monitoring access and CMS will be periodically contacting the state to understand how the state's monitoring activities are progressing.

This letter affirms that the Connecticut Medicaid state plan amendment 17-0007 is approved effective March 1, 2017 as requested by the state.

We are enclosing the HCFA-179 and the following amended plan pages.

- Attachment 4.19B, Page 1(a)v
- Supplement 1 to Attachment 4.19B, Page 4

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

Sincerely,

A red rectangular box containing the text "/S/". Above the box, there are faint blue handwritten initials "R.M.". To the right of the box, there are faint blue handwritten initials "J.P.".

Richard McGreal
Associate Regional Administrator

Enclosure

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

1. TRANSMITTAL NUMBER:
17-0007

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:
March 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:
Sections 1905(a)(7) and (12) of the Social Security
Act and 42 CFR 440.70(b)(3) and 440.120(c)

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 \$508,000 (savings)
b. FFY 2018 \$1,040,000 (savings)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B Page 1(a)v
Supplement 1 to Attachment 4.19B Page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Attachment 4.19B Page 1(a)v
Supplement 1 to Attachment 4.19B Page 4

10. SUBJECT OF AMENDMENT: Effective March 1, 2017, Medicaid State Plan Amendment (SPA) 17-0007 amends Attachment 4.19-B of the Medicaid State Plan as follows: (1) incorporates several of the 2017 Healthcare Common Procedure Coding System (HCPCS) changes (additions, deletions and description changes) to the Medical Equipment, Devices and Supplies (MEDS) fee schedules; (2) restructures quantities for certain procedure codes, however, additional units that are medically necessary may be provided with prior authorization (PA); (3) discontinues certain procedure codes from the orthotics and prosthetics fee schedule to account for the lack of utilization and/or to ensure only braces that are medically necessary are provided to members; (4) increases the fees for a few codes in order to more accurately reflect the cost of these items; (5) revises the rental reimbursement fees for certain procedure codes in order to not exceed the purchase price of the item, if the item was continually rented for 10 months; (6) lowers the repair fees to \$100 for certain procedure codes on the orthotics and prosthetics fee schedule in order to ensure appropriate pricing, however, repairs costing over \$100 can be authorized with PA; and (7) decreases reimbursement amounts for certain procedure codes based on pricing from other states' Medicaid programs as well as pricing research conducted by the Department to improve pricing consistency.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/ [Redacted Signature]

13. TYPED NAME: Roderick L. Bremby

14. TITLE: Commissioner

15. DATE SUBMITTED:
March 30, 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: March 31, 2017

18. DATE APPROVED: September 26 2017

PLAN APPROVED – ONE COPY ATTACHED

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

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/ [Redacted Signature]

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

(7) Home Health Services –

(a) Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area are provided with limitations.

(b) Home health aide services provided by a home health agency with limitations.

(d) Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility are provided with limitations.

The fee schedule for licensed home health care agencies for service (a), (b), and (d) above can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Home health service rates were set as of July 1, 2016 and are effective for services on or after that date. Rates are the same for private and governmental providers and are published on the agency's website. Any fee payable to a home health care agency may qualify for an add-on to the standard fee for the applicable home health service upon application by the agency evidencing extraordinary costs associated with (1) treating AIDS patients; (2) high risk maternal child health care; (3) escort security services or (4) extended hour services. The provider must complete the appropriate application form showing the incremental costs that the agency incurs for the service. The allowable added cost is divided by all projected visits with and without the additional special circumstance (i.e., 1, 2, 3 or 4 above). The Department may add or delete codes in order to remain compliant with HIPAA. In no case will the fee paid to an agency exceed the agency charge to the general public for similar services.

(c) Medical supplies, equipment and appliances suitable for use in the home – The current fee schedule was set as of March 1, 2017 and is effective for services provided on or after that date, except that codes may be deleted or added in order to remain compliant with HIPAA. The fee schedule can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Over-the-counter products provided by pharmacies are reimbursed at Average Wholesale Price (AWP). All governmental and private providers are reimbursed according to the same fee schedule.

(8) Private duty nursing services – Not provided.

TN # 17-0007
03/01/2017

Approval Date 9/26/2017

Effective Date

Supersedes

TN # 16-0034

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE CONNECTICUT

(b) Prosthetic devices

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of prosthetic devices. The agency's rates were set as of March 1, 2017 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."

(c) Eyeglasses

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of eyeglasses. The agency's rates were set as of 7/1/2008 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."

(d) Hearing aids

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of prosthetic devices. The agency's rates were set as of March 1, 2017 and are effective for services rendered on or after that date. The price allowed shall be the actual acquisition cost of the hearing aid(s) to the provider, not to exceed the applicable rates on the Hearing Aid/Prosthetic Eye fee schedule, which are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."

TN# 17-0007

Supersedes

TN # 16-007

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