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State/Territory Name: Connecticut

State Plan Amendment (SPA) #: 20-0014

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

June 26, 2020

Kathleen Brennan, Deputy Commissioner
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105-3730

RE: Connecticut 20-0014

Dear Deputy Commissioner Brennan:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 20-0014. This amendment adds a cost-based reimbursement methodology for a publicly operated Chronic and Convalescent Nursing Home (CCNH) operated by the State of Connecticut Department of Veterans Affairs (DVA). Payments will be funded through certified public expenditure (CPE) from DVA.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment TN 20-0014 is approved effective February 1, 2020. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,

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

Karen Shields
Acting Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 20-0014	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: February 1, 2020	
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		

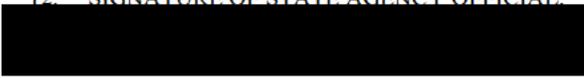
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Sections 1905(a)(4) and 1919 of the Social Security Act and 42 CFR 440.40 and 440.155	7. FEDERAL BUDGET IMPACT: a. FFY 2020 \$5.9 million (costs) b. FFY 2021 \$8.8 million (costs)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D, Page 62(c), (d), and (e)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable) NEW

10. SUBJECT OF AMENDMENT: Effective February 1, 2020, this SPA amends Attachment 4.19-D of the Medicaid State Plan to add a reimbursement methodology for a publicly operated Chronic and Convalescent Nursing Home (CCNH) operated by the State of Connecticut Department of Veterans Affairs (DVA). These payments are funded through a certified public expenditure (CPE) from DVA, which is a sister state agency of DSS. This reimbursement methodology is cost-based, using cost reports and cost reimbursement methodology described in the state plan pages.

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:


13. TYPED NAME: Kathleen M. Brennan

14. TITLE: Deputy Commissioner

15. DATE SUBMITTED:
March 31, 2020

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:	18. DATE APPROVED: 6/26/20
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 2/1/20	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Karen Shields	22. TITLE: Acting Director, FMG

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Connecticut
Methods for Establishing Payment Rates for Public Skilled Nursing Facility Services

1) Public Skilled Nursing Facilities:

a. Definition of Public Skilled Nursing Facility Services

The State of Connecticut Department of Veterans Affairs (CT DVA) provides skilled nursing facility services, both routine and ancillary services for qualified veterans. A CT DVA public skilled nursing facility service billing will be triggered when a Medicaid-eligible client had a recorded inpatient day in a public skilled nursing facility. A Medicaid public skilled nursing facility service “Unit” is defined when a client is present at midnight for the census count. Costs of the facility are determined in accordance with the Medicare cost identification principles described in PRM-15-2 and 2 CFR Part 200. Documentation of a recorded inpatient day shall be maintained in the facility’s records. A payment for public skilled nursing facility services will not duplicate payments made under Medicaid for other services covered under the program.

b. Interim Rates

Interim rates for public skilled nursing facility services provided by CT DVA shall be updated annually. Interim rates for public skilled nursing facility services will be computed using settled costs from the prior state fiscal year for public skilled nursing facility services provided to Medicaid clients in a public skilled nursing facility. The prescribed methodology for the calculation of the Per Diem rates is described below in section “d. Cost Reimbursement Methodology” and the timing of settlement to documented costs is described below in section “e. Settlement.” Interim rates are provisional in nature, pending the completion of cost reconciliation and cost settlement for the rate period, as noted below in section “e. Settlement.” Payments for public skilled nursing facility services provided by CT DVA will not duplicate payments made under Medicaid for other covered services.

c. Cost Reports

Final reimbursement is based on the audited CMS Form 2540-10 Skilled Nursing Facility Cost Report (Cost Report) completed by the Connecticut Office of the State Comptroller. Cost reports will include detailed cost data, including direct costs, operating expenses related to direct services, indirect costs, and general and administrative costs in support of public skilled nursing facility services. The cost report is due to the Department of Social Services no later than 8 months following the close of the state fiscal year during which costs were incurred. Cost reports are subject to desk review by the Department of Social Services or its designee. Desk review will be completed within 8 months following the receipt of the cost reports.

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d. Cost Reimbursement Methodology

In determining Medicaid allowable costs for providing public skilled nursing facility services, the following elements are included and calculations made based on the final audited CMS-2540-10 cost report:

d.1. Medicaid reimbursable cost is the sum of the following:

d.1.1 amount reported on line 30, column 18 on Worksheet B Part I of the audited CMS-2540-10 and

Medicare Cost Center	CMS-2540-10 Cost Center Description	Medicare Cost Report Reference
D	Inpatient Routine Service Cost Centers	
30	Skilled Nursing Facility	Worksheet B, Part I, Line 30, Column 18

d.1.2 amount of Reimbursable Physician Cost

d.2. Medicaid penetration rate is calculated by dividing Medicaid Days reported on line 1, column 5 Worksheet S-3 Part I of the audited CMS-2540-10 by Total Days reported on line 1, column 7, Worksheet S-3 Part I from the same CMS-2540-10.

d.3. Medicaid allowable cost is calculated by applying Medicaid penetration rate calculated above in d.2. to sum of costs calculated in item d.1.

Component	CMS-2540-10 Cost Center Description	Medicare Cost Report Reference
	Inpatient Days	
1	Skilled Nursing Facility	Worksheet S-3, Part I, Line 1, Column 5
1	Skilled Nursing Facility	Worksheet S-3, Part I, Line 1, Column 7

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d.4. The per diem rate for public skilled nursing facility services is calculated by dividing cost reported on line 30, column 18, Worksheet B Part I of the audited CMS-2540-10 described in d.1. above by total paid days reported on line 1, column 7 Worksheet S-3 Part I of the audited CMS-2540-10 for the same period.

e. Settlement

Public skilled nursing facility service claims paid at the interim rate for public skilled nursing facility services delivered by CT DVA during the reporting period, as documented in the MMIS, will be compared to the total Medicaid reimbursable cost based on the Cost Reimbursement Methodology identified in subsection (d) above for the applicable state fiscal year. CT DVA's interim rate claims for public skilled nursing facility services will be adjusted in aggregate. This process results in cost reconciliation.

Reconciliation will occur within 24 months of the end of the reporting period contained in the submitted cost report. Connecticut will not modify the CMS-approved scope of costs or the annual cost report methodology without CMS approval. If it has been determined that an overpayment has been made, the Department of Social Services will return the federal share of the overpayment pursuant to 42 CFR 433, Subpart F. If the actual, certified Medicaid allowable costs for public skilled nursing facility services exceed the interim Medicaid rates, the Department of Social Services will submit claims to CMS for the underpayment as an adjustment to prior year costs. To the extent applicable, cost settlement will occur within the timelines set forth in 42 CFR 433, Subpart F.

f. Audit

All supporting accounting records, statistical data and all other records related to the provision of public skilled nursing facility services delivered by CT DVA may be subject to audit. If an audit discloses discrepancies in the accuracy and/or allowances of actual direct or indirect costs or statistical data as submitted for each fiscal year by CT DVA, the Department of Social Services' payment rate for such period shall be adjusted as necessary.

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