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State/Territory Name: Connecticut

State Plan Amendment (SPA) #: 21-0025

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

December 15, 2021

Deidre S. Gifford, Commissioner
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105-3730

RE: Connecticut 21-0025

Dear Commissioner Gifford:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0025. Effective July 1, 2021, this amendment proposes to increase inpatient per diem rates for private free-standing chronic disease and private psychiatric hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 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 21-0025 is approved effective July 1, 2021. 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,



Rory Howe
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
21-0025

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, 2021

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),(14) and (16) of the Social Security Act;
42 CFR 440.10, 140 and 160; and 447.253(a), (b), and (c)

7. FEDERAL BUDGET IMPACT:
FFY 2021 \$438,000
FFY 2022 \$2.0 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Pages 2 and 32

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Attachment 4.19-A, Pages 2 and 32

10. SUBJECT OF AMENDMENT: This SPA amends Attachment 4.19-A of the Medicaid State Plan to: (1) implement a 4% increase in the inpatient per diem rates for free-standing chronic disease hospitals; and (2) maintain the inpatient per diem rate for Natchaug Hospital at \$975.

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:

13. TYPED NAME: Deidre S. Gifford, MD, MPH

14. TITLE: Commissioner

15. DATE SUBMITTED:
September 30, 2021

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: June 30, 2021

18. DATE APPROVED: December 15, 2021

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Rory Howe

22. TITLE: Director, Financial Management Group

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

(3) Payment for Free-Standing Chronic Disease Hospitals

Effective November 1, 2013, freestanding chronic disease hospitals shall be reimbursed a hospital-specific, all-inclusive per diem rate based on Medicare reimbursement principals. The per diem rates for each freestanding chronic disease hospital were established at a percentage of, and shall not exceed, the average per diem reimbursement under Medicare for the cost year ending March 31, 2013. Per Diem rates shall be fixed and will not be subject to an annual inflation factor. Free-Standing Chronic Disease Hospital rates shall be inclusive of hospital-based professional services, both routine and ancillary services.

Effective July 1, 2021, per diem payments to freestanding chronic disease hospitals shall be:

| | |
|-------------------------------------|------------|
| Gaylord Hospital | \$950.89 |
| Hospital for Special Care | \$1,156.84 |
| Mount Sinai Rehabilitation Hospital | \$934.11 |

In reimbursing out-of-state chronic disease hospitals, one of the following methodologies will be applied per mutual agreement: 1) a fixed percentage calculated based on the ratio between allowed cost for all Connecticut in-state hospitals and total customary charges, 2) the hospital's specific ratio of cost to charges using its most recent Medicare cost report, 3) the Medicaid rate established by the state of location, 4) the lowest in-state per diem rate or 5) a different methodology if required by federal law.

TN # 21-0025

Supersedes

TN # 13-046Approval Date 12/15/2021Effective Date 07/01/2021

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut(4) Private Psychiatric Hospitals for individuals under 22 and over 64 years of age:

- a. Effective January 1, 2012, per diem rates for private psychiatric hospitals will differentiate between adults 19 years of age and older and children 18 years of age and younger. Additionally, the adult psychiatric per diem rates will differentiate between lengths of stays less than 30 days and stays of 30 days or more. Additionally, the child psychiatric per diem rates will differentiate between medically necessary acute days and medically necessary discharge delay days.

- i. Except as otherwise provided below, effective July 1, 2021, per diem rates for the private psychiatric hospitals listed in this subsection 4.i shall be:

| | Adult Per Diem | | Child Per Diem | |
|----------|----------------|----------|----------------|----------------------|
| | Days 1-29 | Days 30+ | Acute Days | Discharge Delay Days |
| NATCHAUG | \$975.00 | \$828.75 | \$975.00 | \$828.75 |

- ii. Effective March 4, 2021, the per diem rates for those licensed private psychiatric hospitals not listed in subsection 4.i immediately above, will temporarily, effective for dates of service beginning on the later of March 4, 2021 or the effective date of its initial licensure as a private psychiatric hospital and ending on the last day of the first month after it files its first Medicare cost report as a psychiatric hospital, be the lower of: (1) the hospital's budgeted cost per day based on available data at the time of licensure or (2) \$814.65 for adult days 1 – 29 and \$829.96 for child acute days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates. Effective for dates of service on and after the first day of the second month following the due date of such hospital's first Medicare cost report as a psychiatric hospital, its per diem rates will be calculated at the lower of: (A) 75% of cost from the Medicare cost report (as detailed below) for adult days 1 – 29 and acute child days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates or (B) the temporary amounts set forth in (2) above. Cost per day is calculated as the sum of hospital inpatient routine and ancillary service costs from worksheet B, part I, column 26 and provider-based physician costs from worksheet A-8-2, column 18, divided by total days from worksheet S-3, part I, column 8.
- b. The per diem rate is 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.
- c. Each out-of-state psychiatric hospital may have its rate set optionally based at \$1,050.00 per day, its home state Medicaid rate, its Medicare base rate, its percentage of allowable costs to charges based on its most recent Medicare cost report, or 42.9% of charges. Such percentage is applied to usual and customary charges in determining reimbursement.

TN # 21-0025

Supersedes

TN # 21-0012Approval Date 12/15/2021Effective Date: 07/01/2021