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State/Territory Name: CT

State Plan Amendment (SPA) #: 25-0011

This file contains the following documents in the order listed:

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

October 24, 2025

Andrea Barton Reeves, JD., Commissioner
State of Connecticut
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105-3730

RE: Connecticut 25-0011

Dear Commissioner Reeves:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Connecticut state plan amendment (SPA) to Attachment 4.19-A CT 25-0011, which was submitted to CMS on March 28, 2025. This plan amendment updates reimbursement provisions for services in privately-owned and operated freestanding chronic disease hospital. Specifically, it implements a quarterly supplemental payment of $800,000 and establishes provisions for newly established chronic disease hospitals to be reimbursed a per diem payment of $934.11.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), and 1923 of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of a March 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

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

Sincerely,

Rory Howe

Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0011

2. STATE: CT

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
March 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
Section 1905(a)(1) of the Social Security Act; 42 CFR 440.10

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 1,536,000
b. FFY 2026 $ 2,048,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Pg 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-A, Pg 2

9. SUBJECT OF AMENDMENT
This SPA will implement a quarterly supplemental payment of $800,000 to each private free-standing chronic disease hospital with Medicaid inpatient utilization exceeding 75% for State Fiscal Year 2023.
Additionally, newly established freestanding chronic disease hospital shall be reimbursed a per diem payment of $934.11.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL
Andrea Barton Reeves

12. TYPED NAME
Andrea Barton Reeves, J.D.

13. TITLE
Commissioner

14. DATE SUBMITTED
March 28, 2025

15. RETURN TO
State of Connecticut
Department of Social Services
55 Farmington Avenue – 9th floor
Hartford, CT 06105
Attention: Ginny Mahoney

FOR CMS USE ONLY

16. DATE RECEIVED
March 28, 2025

17. DATE APPROVED
October 24, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
March 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL
Rory Howe

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Financial Management Group, Director

22. REMARKS

Instructions on Back

(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

Effective March 1, 2025, a newly established freestanding chronic disease hospital shall be reimbursed a per diem payment of $934.11. Effective for dates of service on and after the first day of the second month following the due date of such hospital's Medicare cost report as a chronic disease hospital, the per diem rate will be rebased to 75% of cost. Cost per day will be 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.

Effective July 1, 2022, the per diem payments above was increased by $500.00 per day for beds provided to patients on ventilators.

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.

Supplemental Payment for Private Free-Standing Chronic Disease Hospitals

Effective March 1, 2025, a quarterly supplemental payment will be made to private free-standing chronic disease hospitals with Medicaid inpatient utilization exceeding 75% for State Fiscal Year (SFY) 2023. Payment will consist of $800,000 per quarter, paid by the end of each quarter.