

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment

Hospital Outpatient Reimbursement (SPA 15-034)

The State of Connecticut Department of Social Services (DSS) proposes to the following Medicaid State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services.

Changes to Medicaid State Plan

Effective on or after July 1, 2015, the proposed SPA will implement a reduction in all outpatient hospital rates set by a ratio of cost to charges, which has been calculated to result in the annual savings included in the state budget. Specifically, the current version of the proposed SPA reduces all outpatient hospital rates set by a ratio of cost to charges by 4% and rates shall be based on each hospital's chargemaster in effect as of June 1, 2015. Pursuant to federal regulations at 42 C.F.R. § 447.205, public notice is required at this time. Accordingly, these changes were set in order to result in approximately \$15 million in annual gross savings (state and federal share), which is the level included in the Legislative Budget for State Fiscal Year 2016 and State Fiscal Year 2017 that was adopted by the General Assembly as Public Act 15-244 in the 2015 regular legislative session. However, both the methodology in this SPA and the total amount of projected savings are both subject to change based on legislative adjustments that may occur in the upcoming special legislative session.

Additionally, effective on or after July 1, 2015, the proposed SPA will amend the outpatient hospital fee schedule to increase the fee for electroconvulsive therapy (ECT) services to \$446.29. The new fee is more equitable, better aligns resource utilization with reimbursement, and maintains access to this service. This is estimated to result in increased annual aggregate expenditures by approximately \$150,000.

Fiscal Information – Estimated Annual Change to Medicaid Expenditures

Based on the information that is available at this time, it is estimated that the proposed changes will decrease annual aggregate expenditures by approximately \$13.61 million in State Fiscal Year 2016 and \$14.85 million in State Fiscal Year 2017.

Additional Information

In accordance with federal Medicaid requirements, upon request, DSS will provide copies of the proposed SPA. Copies of the proposed SPA may also be obtained at any DSS regional office and on the DSS web site: <http://www.ct.gov/dss>. Go to "Publications" and then to "Updates".

Written, phone, and email requests should be sent to: Christopher A. Lavigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105, Phone: 860-424-5719, Email: christopher.lavigne@ct.gov. Please reference "SPA 15-034 – Outpatient Hospital Reimbursement". Written comments may be sent in the same manner as requests no later than July 14, 2015.

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

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –
OTHER TYPES OF CARE

(2)

(a) **Outpatient hospital services** – The agency’s fixed fees were set as of July 1, 2015 and are effective for services on or after that date. All fixed fees are published on the Department’s website at www.ctdssmap.com. Rates that are based on hospital service specific ratio of cost to charges are included on each provider’s rate schedule. The rate schedule is sent to the hospital and is revised annually (July 1) based on the most recently filed cost report. Effective July 1, 2015, rates set by ratio of cost to charges shall be reduced by 4% from those previously in effect and all rates set by ratio of cost to charges shall be based on each hospital’s chargemaster in effect as of June 1, 2015. Except as otherwise noted in the plan, state developed fee schedules and rate methods are the same for both governmental and private providers.

TN # 15-034
Supersedes
TN # 14-035

Approval Date _____ Effective Date 07-01-2015