

DEPARTMENT OF SOCIAL SERVICES

Special Notice of Proposed Medicaid State Plan Amendment 13-029

Date: July 1, 2013

On May 28, 2013, the Department issued public notice of its intent to submit a Medicaid State Plan Amendment (SPA) to implement supplemental Medicaid payments to specified acute care hospitals.

The Department has extended the time frame for the submission of comments to July 16, 2013.

Please mail or e-mail your comments to: Christopher LaVigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106-5033, Telephone: (860) 424-5719, Fax: (860) 424-4812, Email: Christopher.Lavigne@ct.gov. Please reference the SPA TN # 13-029 Payments to Acute Care Hospitals).

Please find below the original public notice followed by the State Plan language concerning SPA 13-029.

CT Law Journal – May 28, 2013 Notice

PAYMENTS TO ACUTE CARE HOSPITALS (SPA # 13-029)

The State of Connecticut Department of Social Services (the “Department”) proposes to submit an amendment to the Medicaid State Plan to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services. The proposed Medicaid State Plan Amendment (SPA) will amend inpatient supplemental payments for acute care hospitals.

Changes to Medicaid State Plan

Based upon the most recent version of the draft Legislative Budget for the State Fiscal Year 2014 and State Fiscal Year 2015 biennium and actions to date by the General Assembly, it is anticipated that the Medicaid State Plan will be amended to implement supplemental Medicaid payments to specified acute care hospitals effective July 1, 2013. While implementing legislation is still pending in the General Assembly, federal regulations require the Department to submit public notice at this time.

Fiscal Information – Estimated Annual Change to Medicaid Expenditures

Based upon preliminary estimates, it is anticipated that annual aggregate expenditures for supplemental payments to acute care hospitals will total between \$80,000,000 and \$195,000,000 each year.

Additional Information

In accordance with federal requirements governing the Medicaid program, upon request, the Department will provide copies of the proposed amendment to the Medicaid State Plan. In addition, copies of the proposed amendment may be obtained at each of the Department's regional offices and on the Department's web site: <http://www.ct.gov/dss>. Go to "Publications" and then to "Updates".

Written, phone, and e-mail requests should be directed to Christopher A. LaVigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106-5033 (Phone: 860-424-5719, Fax: 860-424-4812, E-mail: Christopher.Lavigne@ct.gov). Please reference the relevant SPA number (*e.g.*, SPA 13-029, Payments to Acute Care Hospitals).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Connecticut

- (a) As a rate of payment to hospitals for cost settlement purposes, the Department will pay: (1) for the first seven days of hospital care for patients who no longer require acute care, a rate which is equal to fifty percent (50%) of the hospital's non-intensive care per diem rate; (2) for the eight through fourteenth day of such care, a rate which is equal to seventy-five percent (75%) of the hospital's non-intensive care unit per diem rate; and (3) for days of such care after the fourteenth day, a rate equal to one hundred percent (100%) of the hospital's non-intensive care unit per diem rate.

- (2 A) Supplemental Reimbursement for Inpatient Hospital Services. Supplemental payments to eligible hospitals shall be made from a pool of funds in the amount of \$227.7 million per year. The payments shall be made periodically on a lump-sum basis throughout each fiscal year. The supplemental payment program shall be in effect for services furnished from July 1, 2013 through and including June 30, 2015. The payments are comprised of two pools:

A pool of \$212.6 million:

- (a) Hospitals eligible for supplemental payments under this paragraph are short-term general hospitals other than short-term Children's General Hospitals and short-term acute care hospitals operated exclusively by the State, other than a short-term acute care hospital operated by the State as a receiver.
- (b) Each eligible hospital's share of the supplemental payment pool shall be equal to that hospital's pro rata share of the total Medicaid inpatient revenues of all eligible hospitals in the aggregate. For purposes of this supplemental payment, "Medicaid inpatient revenues" means payments for Medicaid inpatient hospital services provided in federal fiscal year 2010 to each eligible hospital up to \$20 million per year per hospital as reported in each hospital's filing with the State of Connecticut Office of Health Care Access (OHCA)

A pool of \$15.1 million:

- (a) Qualifying hospitals are those described above in the pool of \$212.6 million that also meet all of the following criteria: 1) Medicaid case rate lower than the weighted average, 2) expense per case mix adjusted equivalent discharge lower than the weighted average, and 3) combined Medicare and Medicaid payer mix higher than the weighted average. Criteria are based on the current case rates and each hospital's most recent finalized filing with OHCA and qualifiers shall be redetermined annually. The minimum annual payment to a qualified hospital shall be \$100,000.

TN# 13-029
Supersedes
TN# 12-002

Approval Date _____

Effective Date: 07-01-13