

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, M/S S3-13-15
Baltimore, MD 21244-1850



MAR 18 2014

Roderick L. Bremby, Commissioner
Department of Social Services
25 Sigourney Street
Hartford, CT 06106-5033

RE: Connecticut 13-035

Dear Mr. Bremby:

We have reviewed the proposed amendment to Attachments 4.19-A, of your Medicaid State plan submitted under transmittal number (TN) 13-035. This amendment revises reimbursement for inpatient hospital services. Specifically, it eliminates the October 1, 2013 and October 1, 2014 annual increasing adjustments, for inflation, that would otherwise be applied to the cost per discharge rate for each hospital.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447. We are pleased to inform you that Medicaid State plan amendment 13-035 is approved effective October 1, 2013. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann". The signature is written in a cursive, flowing style.

Cindy Mann
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 13-035	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 10/01/2013	
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: Section 1905 (a)(1) of the Social Security Act 42 CFR 440.10 and 42 CFR 447.253(a)(b)and(c)	7. FEDERAL BUDGET IMPACT: a. FFY 2014 (\$4.9 million) savings b. FFY 2015 (\$11.2 million) savings
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 1 (i)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable) Attachment 4.19-A Page 1 (i)

10. SUBJECT OF AMENDMENT:
This amendment eliminates the October 1, 2013 and October 1, 2014 annual adjustment factors (inflation increases) that would otherwise be applied to the cost per inpatient discharge rate for each hospital.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCL Comments if any to follow
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Roderick L. Bremby</i> Deputy Commissioner for	16. RETURN TO: State of Connecticut Department of Social Services 25 Sigourney Street Hartford, CT 06106-5033 Attention: Ginny Mahoney, Medical Policy
TYPED NAME: Roderick L. Bremby	
14. TITLE: Commissioner	
15. DATE SUBMITTED: December 30, 2013	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: MAR 18 2014
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: OCT 01 2013	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Penny Thompson</i>
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, Policy & Financial Mgt. PMS
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

Methods and Standards for Establishing Payment Rates - Inpatient Hospital Care

- (1) The basis for payment is the Medicare retrospective reasonable cost reimbursement methodology for prospective payment system-exempt hospitals in effect prior to adoption of the Balanced Budget Act of 1997 (Medicare TEFRA Reimbursement Principles).
- (a) In reimbursing for inpatient hospital services to Connecticut hospitals provided under the State Plan, the State agency will apply Medicare standards and principles for prospective payment system-exempt hospitals as specified in 42 U.S.C. § 1395ww, as amended through August 15, 1995 by various acts, including, but not limited to, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), § 4005 of the Omnibus Budget Reconciliation Act of 1990, Pub. L. No. 101-508, 104 Stat. 1388 (1990) (OBRA '90) and the Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66 ("OBRA '93"); and federal regulations under TEFRA, OBRA '90, and OBRA '93 in effect on August 15, 1995, including, but not limited to, 42 C.F.R. §§413.40(a)C1) et seq. and 413.86, and state regulations in effect as of August 15, 1995 (Sections 17-312-101 through 17-312-105) with: 1) graduate medical education reimbursed as a pass through based on the Medicaid inpatient percentage of full-time equivalent (FTE) residents multiplied by the Medicare allowed per resident amount; 2) provider-based physician (PBP) professional costs allowed as a pass-through and computed by: a) for each ancillary cost center, the difference between a cost to charge ratio that includes PBP professional costs and a cost to charge ratio that excludes PBP professional costs is applied to Medicaid ancillary charges for that cost center, and b) for routine cost centers, the ratio of Medicaid days to total patient days is applied to the PBP professional costs in each routine cost center; and 3) organ acquisition costs reimbursed as a pass through based on the number of Medicaid transplants multiplied by the Medicare allowed amount. Effective October 1, 1998, inpatient services to patients treated in burn units certified by the American Burn Association shall be paid at a rate of \$2,200.00 per day for the first sixteen days of inpatient service, not subject to cost per discharge settlement, and any inpatient days in excess of sixteen days shall be treated as a separate admission subject to cost per discharge settlement. Effective October 1, 2001 there shall be an update to a hospital's target amount per discharge to the actual allowable cost per discharge based upon the 1999 cost report filing multiplied by sixty-two and one-half percent if such amount is higher than the target amount per discharge for the rate period beginning October 1, 2000, as adjusted for the ten per cent incentive identified in Section 4005 of Public Law 101-508. If a hospital's allowable cost per discharge is increased to sixty-two and one-half percent of the 1999 cost per discharge, the hospital shall not receive the ten per cent incentive identified in Section 4005 of Public Law 101-508. Effective August 1, 2003, heart and liver transplants shall be reimbursed utilizing payment rates authorized under the Medicare program. Effective April 1, 2005, the revised target amount per discharge for each hospital with a target amount per discharge less than three thousand seven hundred fifty dollars shall be three thousand seven hundred fifty dollars. Effective October 1, 2006, the revised target amount per discharge for each hospital with a target amount per discharge less than four thousand dollars shall be four thousand dollars. For the rate periods between October 1, 2002 and September 30, ~~2013~~ **2015**, there shall be no application of an annual adjustment factor to the target amount per discharge. Effective October 1, 2007, the revised target amount per discharge shall be the higher of (1) the hospital's 2007 Medicaid Cost Per Discharge Target