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State/Territory Name: CT

State Plan Amendment (SPA): CT-23-0020

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 Page

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

December 15, 2023

Andrea Barton Reeves, J.D., Commissioner
Department of Social Services
55 Farmington Avenue, 5th Floor
Hartford, CT 06105-3730

RE: Connecticut State Plan Amendment (SPA) Transmittal Number 23-0020

Dear Commissioner Reeves:

We have reviewed the proposed Connecticut State Plan Amendment (SPA) to Attachment 4.19-B submitted under TN-23-0020, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 29th, 2023. This plan proposes providing outpatient supplemental payments to non-governmental independent licensed short-term general hospitals that are financially distressed.

Based upon the information provided by the State, we have approved the amendment with an effective date of September 1st, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Jerica Bennett at 1-410-786-1167 or jerica.bennett@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 2 0

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

September 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act Section 1905(a)(2)(A) and 42 CFR 440.20(a)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 1,750,000
b. FFY 2024 \$ 3,130,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Addendum Page 1f(iii) to Attachment 4.19-B, Page 1 (NEW)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

This SPA adds outpatient supplemental payments to non-governmental independent licensed short-term general hospitals that are financially distressed as defined in the SPA pages), out of a total pool of \$5 million in State Fiscal Year (SFY) 2024 and \$2 million in SFY 2025, each paid in accordance with the conditions set forth in the SPA pages.

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

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

13. TITLE
Commissioner

14. DATE SUBMITTED
September 29, 2023

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
09/29/2023

17. DATE APPROVED
December 15, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
09/01/2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

Supplemental Payment for Non-governmental Independent Financially Distressed Hospitals

Effective September 1, 2023, any non-governmental independent licensed short-term general hospitals will receive outpatient supplemental payments in accordance with this section if the State of Connecticut determines that the hospital meets all of the following requirements:

1. Has an average total margin of less than -3% for the five-year period ending September 30, 2021, as published in the State of Connecticut, Office of Health Strategy (OHS) 2021 financial stability report.
2. Is an independent hospital, which is defined as not merged or formally affiliated (i.e., a formal affiliation in which the hospital controls, or is controlled by, or operates under common control, directly or indirectly) with another hospital or hospital system that includes at least one other hospital, as determined based on OHS's Certificate of Need process.
3. Provides a feasibility plan that includes a study of essential health services aligned with community need and a path to financial viability.

If all of the above requirements are met, then qualifying hospitals shall receive:

- (1) supplemental payments during the state fiscal year ending June 30, 2024 totaling \$5 million, of which a total of \$2.5 million will be paid on or before September 30, 2023, with the balance of \$2.5 million to be paid contingent upon the State of Connecticut's receipt and approval of the hospitals' feasibility plans; and
- (2) supplemental payments totaling \$2 million during the state fiscal year ending June 30, 2025, contingent upon the State of Connecticut's certification that the hospitals are making progress towards implementation of the feasibility plans with a clear path to financial viability.