DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

OCT 3 1 2013

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

RE: Connecticut 13-011

Dear Mr. Bremby:

We have reviewed the proposed amendment to Attachments 4.19-A, of your Medicaid State plan submitted under transmittal number (TN) 13-011. This amendment revises reimbursement for child psychiatric inpatient hospital services. Specifically, it proposes to eliminate performance pool incentive payments for child psychiatric inpatient services in acute, private psychiatric hospitals and children's hospitals.

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 13-011 is approved effective January 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,
/ s /

Cindy Mann
Director

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 13-011
2. STATE: CT
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CMS/CMSO
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2013

5. TYPE OF STATE PLAN MATERIAL (Check One):

___ NEW STATE PLAN ___AMENDMENT TO BE CONSIDERED AS NEW PLAN _X_ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1905 (a)(16) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2013 - ($467,000) Savings
b. FFY 2014 - ($467,000) Savings

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19 A Page 1(v)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable)
Attachment 4.19 A page 1(v) – 1(vii)

10. SUBJECT OF AMENDMENT: Under State Plan Amendment #13-011, the Department of Social Services proposes amend its Medicaid State Plan effective January 1, 2013 in order to eliminate a performance pool for child inpatient psychiatric services in acute care, private psychiatric hospitals and children's hospitals of $934,000 annually, which had been established through State Plan Amendment 12-002.

11. GOVERNOR'S REVIEW (Check One):

X GOVERNOR'S OFFICE REPORTED NO COMMENT
__COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
__NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
__OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:
/s/

13. TYPED NAME: Roderick L. Bremby

14. TITLE: Commissioner

15. DATE SUBMITTED:
March 28, 2013

16. RETURN TO:

State of Connecticut
Department of Social Services - 11th floor
25 Sigourney Street
Hartford, CT 06106-5033
Attention: Ginny Mahoney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: OCT 31 2013

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JAN 01 2013

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPED NAME: Penny Thompson

22. TITLE: Deputy Director, Policy + Financial Mgt, CMCS

23. REMARKS:

FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Connecticut

Effective June 1, 2010, per diem rates for intermediate duration acute psychiatric care provided in a designated general hospital unit certified by the state Department of Mental Health and Addiction Services for such services shall be:

Days 1-29:	$900
Days 30+:	$825

Such per diem rates are inclusive of all hospital service fees and hospital-based professional services. Payment shall continue as long as placement in this level of care is appropriate. Inpatient stays that include transfer to intermediate duration acute psychiatric care beds from other inpatient psychiatric beds within a hospital shall be paid based on the intermediate duration psychiatric care rate schedule for all days. Intermediate duration psychiatric care payments and patient days shall be excluded from Medicaid Cost Per Discharge settlement.

All Medicaid cost settlement report filings shall be subject to adjustment as specified in Section 17-312-105(g) of the Regulations of Connecticut State Agencies. The department may also conduct special reviews of a hospital cost report filing to verify significant aberrations from cost year to cost year filings by a hospital or in comparison to other hospitals. Cost or statistical data that is not adequately documented or is unallowable, shall be adjusted and any cost settlements or rates established based on such data shall be revised accordingly.

(b) In reimbursing for inpatient hospital services to out-of-state and border hospitals the State agency will apply the following methodologies:

1. A fixed percentage shall be calculated by the State agency based on the ratio between the allowed cost for all Connecticut in-state hospitals, applying Medicare retrospective reasonable cost reimbursement principles, and total customary charges for all Connecticut instate hospitals, or

2. Each out-of-state and border hospital may have its fixed percentage optionally determined based on its total allowable cost under Medicare principles of reimbursement pursuant to 42 CFR 413. The State agency shall determine from the hospital's most recently available Medicare cost report filed with the State agency the ratio of total allowable inpatient costs to gross inpatient revenue. The resulting ratio shall be the hospital's fixed percentage not to exceed one hundred percent (100%). For any hospital with a fixed percentage that exceeds seventy-five percent (75%), the State agency may review the supporting documentation and make any adjustment required in favor of the hospital or the State as a result of the review.

3. The State agency shall reimburse out-of-state and border hospitals utilizing the methodology as set forth in subsection (b)1. or (b)2. above unless a different methodology is required by federal law, in which case, the required federal methodology shall be employed.

The State has in place a public process which complies with the requirements of Section 1902(a)(13)(A) of the Social Security Act.

(2) The basis for payment for Administratively Necessary Days to Connecticut Hospitals.

For hospital patients who no longer require acute hospital care, the Department will only pay for those patients who qualify for Medicaid certified Skilled Nursing Facility or Intermediate Care Facility services at the rate established pursuant to (1) above and as specified below in (a) and (b).

(a) As an interim rate of payment to hospitals, prior to cost settlement, 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 interim non-intensive care per diem rate; (2) for the eight through fourteenth day of such care a rate which is equal to seventy-five (75%) of the hospital's interim non-intensive care 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 interim non-intensive care per diem rate.

(b) 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 $131 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, 2011 through and including June 30, 2013. Payment for the quarter ending September 30, 2011 will be issued during the quarter ending December 31, 2011. All subsequent payments will be issued in the quarter for services furnished during the quarter.

(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 2009 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.