

Table of Contents

State/Territory Name: CT

State Plan Amendment (SPA) #: 16-0024

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 Pages

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



Financial Management Group

Roderick L. Bremby, Commissioner
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105-3730

MAR 22 2017

RE: Connecticut 16-0024

Dear Mr. Bremby:

We have reviewed the proposed amendment to Attachment 4.19-D, of your Medicaid State Plan submitted under transmittal number (TN) 16-0024. This amendment revises the reimbursement for nursing facility services. Specifically it, increases payments to nursing facilities to provide additional funding for new pension programs for workers implemented as the third component of the state's wage and benefit enhancement program authorized under TN 15-0032.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) 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 16-0024 is approved effective August 1, 2017. 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,



Kristin Fan
Director

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

1. TRANSMITTAL NUMBER:
16-0024

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:
August 1, 2016

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

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION:

Sections 1905(a)(4)(A) and 1919 of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2016 \$250,000 (costs)
b. FFY 2017 \$1,500,000 (costs)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D Page 59d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable)

Attachment 4.19-D Page 59d

10. SUBJECT OF AMENDMENT: Effective August 1, 2016, SPA 16-0024 amends the Medicaid State Plan to provide additional funding for nursing homes to fund new pension programs for nursing home workers. This amendment will increase the funding that was originally made available in SFY 2016 and included in the approved SPA 15-032 under "Part 3" of the nursing home wage and benefit enhancement program.

11. 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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Roderick L. Bremby

14. TITLE: Commissioner

15. DATE SUBMITTED:
September 30, 2016

16. RETURN TO:

State of Connecticut
Department of Social Services
55 Farmington Avenue - 9th floor
Hartford, CT 06105
Attention: Ginny Mahoney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: MAR 22 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

AUG 01 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FHC

23. REMARKS:

State of Connecticut

Methods and Standards for Establishing Payment Rates for Nursing Facilities

are less than the additional costs identified in Part 2 item A, accounting for implementation date and pro-ration, the Medicaid per diem rate increase shall be adjusted downward, as necessary, to reflect the Medicaid pro-rata portion of the actual cost of wage increases implemented in fiscal year ending June 30, 2016.

The part 3 per diem Medicaid rate add-on shall be determined as follows:

- A. Each participating nursing home shall submit to the commissioner a schedule of additional costs in the wage and benefit categories listed below and the effective date of such wage and/or benefit increases. These costs shall reflect new annualized costs incurred on or after July 1, 2015 for the following:
 1. Implementation of New Pension Plan
- B. The Medicaid utilization rate shall be calculated by dividing the nursing facility's Medicaid days by total days as reported on the facility's 2014 cost report.
- C. For each nursing facility, the costs identified for each item identified in Part 3 items A shall be multiplied by Part 3 item B to calculate the total allowable Medicaid costs.
- D. For each nursing facility, the wage and benefit component identified in Part 3 item C shall be divided by the aggregate sum of all Part 3 item C components for all nursing facilities.
- E. For each nursing facility, the results of component of Part 3 item D shall be funded in full.
- F. The results of Part3 item E shall be divided by the facility's Medicaid days as reported on the facility's 2014 cost report. This will result in the Medicaid wage and benefit enhancement per diem rate increase. The rate increase related to wage and/or benefit increases will be effective on the first day that the fiscal year 2016 wage and/or benefit enhancement was implemented by the nursing facility.
- G. During the desk review and/or field audit of the nursing facility's 2015, 2016 and 2017 cost reports, which are conducted immediately following the February 15th annual submission deadline, if expenditure increases within the wage and benefit categories listed in Part 3 item A are less than the additional costs identified in Part 3 item A, accounting for implementation date and pro-ration, the Medicaid per diem rate increase shall be adjusted downward, as necessary, to reflect the Medicaid pro-rata portion of the actual cost of wage increases implemented in fiscal year ending June 30, 2016.

For the purpose of determining allowable fair rent, a facility with allowable fair rent less than the twenty-fifth percentile of the state-wide allowable fair rent shall be reimbursed as having allowable fair rent equal to the twenty-fifth percentile of the state-wide allowable fair rent, provided for the rate years ending June 30, 1996 and June 30, 1997, the reimbursement may not exceed the twenty-fifth percentile of the state-wide allowable fair rent for the rate year ending June 30, 1995. Beginning with the rate year ending June 30, 1996, any facility with a rate of return on real property other than land in excess of eleven percent shall have such allowance revised to eleven percent. Any facility or its related realty affiliate which finances or refinances debt through bonds issued by the State of Connecticut Health and Education Facilities Authority shall after reporting the terms and conditions of such financing or refinancing have the