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State/Territory Name: Connecticut

State Plan Amendment (SPA) #: 16-023

This file contains the following documents in the order listed:

1) Approval Letter

2) CMS 179 Form

3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203

Division of Medicaid and Children's Health Operations / Boston Regional Office

December 29, 2016

Roderick L. Bremby, Commissioner
Department of Social Services
55 Farmington Avenue
Hartford, CT 06105

Dear Commissioner Bremby:

Enclosed is a copy of approved Connecticut State Plan Amendment (SPA) No. 16-023, with an effective date of July 1, 2016. This amendment was submitted to reduce payment rates for medication administration services provided by home health agencies by fifteen percent. The state indicated that the purpose of the rate reduction is to encourage, when clinically appropriate, alternative and less costly delivery of medication administration through home health aides and medication administration devices (med boxes).

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 (the Act) and the implementing Federal regulations at 42 CFR 447 Subpart C.

Because the proposed SPA would reduce or restructure provider payment rates, Connecticut is required to provide documentation in support of its determination that the payments are consistent with efficiency, economy and quality of care and sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that these services are available to the general population, as established in Section 1902(a)(30)(A) of the Act and codified in 42 CFR 447.203 and 42 CFR 447.204. Connecticut demonstrated compliance with 42 CFR 447.203(b)(6) by completing an access review and analysis for the relevant services and establishing procedures to monitor continued access to care following implementation of the rate reductions. Connecticut also met the requirements of 447.203 (b)(1) through 447.203(b)(6) and 447.204(a)(1) by submitting an Access Monitoring Review Plan (AMRP) as required by the regulation and by including data and analysis related specifically to this reduction in payment rates. Additionally, the state was required to adhere to the public process requirements set forth in 42 CFR 447.204. To demonstrate compliance with these requirements, the state submitted the following to CMS with the proposed SPA:

1. With respect to the public process requirements at 42 CFR 447.204(a)(2), Connecticut provided documentation to show that providers and the public were advised of the proposed SPAs via public notices published in the CT Law Journal on May 31, 2016 and through provider bulletins that were sent electronically to home health providers and published on the CT Medical Assistance Program website. The state reported it

received multiple comments from the home health provider community about the proposed rate reduction, some of which also suggested alternatives to the rate reduction. Based on the public input received, the state considered the suggested alternatives to the rate reduction but ultimately determined that there were alternative means for beneficiaries to receive medication administration which meet the state's policy goals, as Medicaid also reimburses for: (1) nurse delegation to a certified home health aide to administer medication; (2) electronic medication dispensing machines ("med boxes"); and (3) medication prompting provided by a home health aide. When clinically appropriate for an individual, each of these three alternative means of providing medication administration services reflects a person-centered, recovery-oriented approach. In addition to promoting individuals' choices and independence, each of these three services is also more cost effective than medication administration provided by a licensed nurse.

2. With respect to the access review requirements at 42 CFR 447.204(b), Connecticut submitted its AMRP, an analysis of the effect of the change in payment rates on access, and an analysis of the information and concerns expressed through stakeholder input. Specifically, Connecticut documented that it examined beneficiary enrollment, utilization of services, provider availability, comparative rates to other payers and resources available to beneficiaries to facilitate access to care. The state's AMRP analyzed beneficiaries' access to services over a three year period and established utilization and provider enrollment trends during that period.

   In particular, in the AMRP, the state reported that Medicaid beneficiaries' use of home health services in the state varies each year. The number of adults and children that had at least one home health visit per year were 23,297 in 2013, 16,738 in 2014, and 17,069 in 2015. However, the state also provided information to show that, geographically, the number of enrolled providers has been consistent over that same period of time with 82 home health agencies enrolled in Medicaid. The specific services affected through the rates reduction, medication administration, have only been available through home health aides and "med boxes" under Connecticut Medicaid since 2013 so the state relied on 2015 claims data as the most relevant period to set a baseline for monitoring medication administration usage. The state indicated it will set a baseline for monitoring medication administration provided by home health agencies by both certified home health aides and nurse delegations using the 246,323 claims for medication administration in 2015.

   The state concluded that Medicaid beneficiaries have access to care for home health and medication administration services that is sufficient and comparable to the general population in the geographic area. The state made this analysis available to the public 30 days prior to submitting it to CMS and received numerous comments. The state analyzed and responded to stakeholders comments.

3. The state established procedures to monitor continued access to care after implementation of these rate reductions, consistent with 42 CFR 447.203(b)(6). Specifically, the state provided a plan to periodically review continued service access to the medication administration services associated with this SPA consistent with

regulatory requirements, including: measures, baseline data and state-established access thresholds which will trigger additional review or action by the state. These procedures will be in place for at least three years, consistent with 447.203(b)(6)(ii)(B).

4. The state also demonstrated that it has ongoing mechanisms for beneficiary and provider input on access to care, such as the beneficiary complaint processes. These provide that beneficiaries and the public can raise access concerns both directly to the state Medicaid agency and to the medical and behavioral health ASO. The state has established that it will promptly respond to public input through these mechanisms, and will retain a record of this input and response. Specifically, the ASO tracks and resolves all access-related issues on a quarterly basis.

CMS is approving this SPA as the state has reasonably substantiated its conclusion that access for these services is sufficient through a process consistent with the requirements of §447.203 and conducted the public process and notice described in §§447.204 and 447.205. Consistent with the aforementioned regulations, the state has committed to monitoring access and CMS will be periodically contacting the state to understand how the state's monitoring activities are progressing. If access deficiencies are identified, the state will submit a corrective action plan within 90 days of identification.

This letter affirms that the Connecticut Medicaid state plan amendment 16-023 is approved effective July 1, 2016 as requested by the state.

We are enclosing the HCFA-179 and the following amended plan pages.

- Attachment 4.19B, Page 1(a)v

If you have any questions regarding this matter you may contact Robert Cruz at 617-565-1257 or by email at Robert.Cruz@cms.hhs.gov

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure

cc: Kate McEvoy, Director of Medical Administration – Health Services and Supports

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

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

1. TRANSMITTAL NUMBER: 16-023
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: July 1, 2016

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)(7) of the Social Security
42 CFR 440.70

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 ($1.5 million) (savings)
b. FFY 2017 ($8.9 million) (savings)

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

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable)
Attachment 4.19B Page 1(a)v

10. SUBJECT OF AMENDMENT: Effective July 1, 2016, SPA 16-023 amends Attachment 4.19-B of the Medicaid State Plan to reduce the fees for medication administration provided by home health agencies by 15%. This reduction is necessary to improve the economy and efficiency of reimbursement for this service. This reduction also promotes the state's strategic plan to rebalance long-term services and supports, specifically by fostering increased independence for Medicaid beneficiaries, as described in the attached Access Analysis.

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: 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: September 30, 2016

18. DATE APPROVED: December 29, 2016

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL: /s/

21. TYPED NAME: Richard R. McGreal

22. TITLE: Associate Regional Administrator, Division of Medicaid and Children's Health Operations, Boston Regional Office

23. REMARKS:

FORM CMS-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Connecticut

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(7) Home Health Services –

(a) Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area are provided with limitations.
(b) Home health aide services provided by a home health agency with limitations.
(d) Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility are provided with limitations.

The fee schedule for licensed home health care agencies for service (a), (b), and (d) above can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Home health service rates were set as of July 1, 2016 and are effective for services on or after that date. Rates are the same for private and governmental providers and are published on the agency's website. Any fee payable to a home health care agency may qualify for an add-on to the standard fee for the applicable home health service upon application by the agency evidencing extraordinary costs associated with (1) treating AIDS patients; (2) high risk maternal child health care; (3) escort security services or (4) extended hour services. The provider must complete the appropriate application form showing the incremental costs that the agency incurs for the service. The allowable added cost is divided by all projected visits with and without the additional special circumstance (i.e., 1, 2, 3 or 4 above). The Department may add or delete codes in order to remain compliant with HIPAA. In no case will the fee paid to an agency exceed the agency charge to the general public for similar services

(c) Medical supplies, equipment and appliances suitable for use in the home – The current fee schedule was set as of July 1, 2016 and is effective for services provided on or after that date, except that codes may be deleted or added in order to remain compliant with HIPAA. The fee schedule can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Over-the-counter products provided by pharmacies are reimbursed at Average Wholesale Price (AWP). Prescription products provided by pharmacies are reimbursed at Estimated Acquisition Cost (EAC) plus the dispensing fee as specified in section 12 of Attachment 4.19-B. All governmental and private providers are reimbursed according to the same fee schedule.

(8) Private duty nursing services – Not provided.