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



Regional Operations Group

March 22, 2019

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

Dear Commissioner Bremby:

We are pleased to enclose via email a copy of approved Connecticut State Plan Amendment (SPA) No. 18-0031, submitted to my office on December 27, 2018 and approved on March 19, 2019.

This SPA amends Attachment 4.19-B of the Medicaid State Plan amends Attachment 4.19-B of the Medicaid State Plan to make supplemental payments to the University of Connecticut (UConn) Health Center's physician group (which is the state-owned physician group that is affiliated with an academic medical center) for physicians' services provided to Medicaid members. The supplemental payments are calculated based on the difference between the Medicaid rate and the Medicare equivalent of the average commercial rate (ACR).

This SPA's approval is effective October 1, 2018, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

- Attachment 4.19-B Page I (a)i(O)
- Attachment 4.19-B Page I (a)i(O)(a)

If you have any questions regarding this matter you may contact Marie DiMartino (617) 565- 9157 or by e-mail at Marie.DiMartino@cms.hhs.gov

Sincerely,

/S/

Francis T. McCullough
Director
Division of Medicaid Field Operations East

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

1. TRANSMITTAL NUMBER:
18-0031

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:
October 1, 2018

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:
Section 1905(a)(5) of the Social Security Act and 42 CFR
440.50

7. FEDERAL BUDGET IMPACT:
a. FFY 2019 \$4.6 million
b. FFY 2020 \$6.1 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B Page 1(a)i(O)
Attachment 4.19-B Page 1(a)i(O)(a)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR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

10. SUBJECT OF AMENDMENT: Effective October 1, 2018, SPA 18-0031 amends Attachment 4.19-B of the Medicaid State Plan to make supplemental payments to the University of Connecticut (UConn) Health Center's physician group (which is the state-owned physician group that is affiliated with an academic medical center) for physicians' services provided to Medicaid members. The supplemental payments are calculated based on the difference between the Medicaid rate and the Medicare equivalent of the average commercial rate (ACR).

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:

/S/

16. RETURN TO:

13. TYPED NAME: Roderick L. Bremby

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

14. TITLE: Commissioner

15. DATE SUBMITTED:
December 27, 2018

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 27 2018

18. DATE APPROVED: March 19, 2019

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1 2018

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME: Francis T. McCullough

Director
22. TITLE: Division of Medicaid Field Operations-East

23. REMARKS:

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

f. Supplemental Reimbursement for Professional Services provided by University of Connecticut Health Care Center

Supplemental payments shall be made to the state-owned and operated University of Connecticut (UConn) Health Center's Physician Group for services provided by physicians employed or under contract to UConn.

Effective for dates of service on or after October 1, 2018, DSS will make supplemental payments to UConn's physician group for eligible services for the difference, if any, between Medicaid payments already made to these providers and payments at the Medicare equivalent of the average commercial rate (ACR). ACR is defined as the rates paid by the five largest commercial payers for the same service.

Calculation of the Medicare equivalent of the ACR:

- a. Current commercial physician fees will be collected by CPT code for the top five commercial payers by volume and the average fee for each code will be calculated.
- b. Paid claims by CPT code for the initial period will be obtained from the MMIS for dates of service January 1, 2018 through June 30, 2018.
- c. The Medicaid claims data will be aligned with the ACR for each CPT code to calculate average commercial payments for the claims.
- d. The Medicaid claims data will be aligned with the Medicare fees for each CPT code to calculate Medicare payments for the claims using the current applicable Medicare fee schedule for Connecticut.
- e. An overall commercial to Medicare ratio is calculated by dividing the total average commercial payments by total Medicare payments for the claims.
- f. The ratio will be re-determined every three years by repeating steps a. through e. using comparable data that is available at that time. For example, the ratio to be used effective October 1, 2021 will be based on paid claims for dates of service January 1, 2021 through June 30, 2021 and current commercial physician fees at that time.

Payments will be made quarterly. The methodology for calculating the supplemental payment for eligible professional services is as follows:

- a. After the close of each quarter, Medicaid claims will be obtained for dates of service between: (1) October 1, 2018 or the three quarters immediately prior to such quarter, whichever is later, and (2) the end of the applicable quarter.
- b. The Medicaid data will be summarized by procedure code and units of service. Claims where Medicare is the primary payer will be excluded.

TN # 18-0031
Supersedes
TN # 17-0022

Approval Date 03/19/19

Effective Date 10-01-2018

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

- c. Medicaid payment for each procedure code is the paid amount per the MMIS query.
- d. The Medicare payment rate for each procedure code will be obtained from the applicable Medicare fee schedule.
- e. Medicare payment for each procedure code will be calculated by multiplying the Medicaid units of service by the Medicare rate for each procedure code.
- f. Total Medicaid payments and total payments at Medicare rates will be separately summed. Total payments at Medicare rates are then multiplied by the Medicare equivalent of the ACR. The difference between payments at the ACR and Medicaid payments will be the aggregate supplemental payment.
- g. Actual supplemental payment(s) from the preceding quarter(s) will be deducted to determine the supplemental payment for the current quarter. This is necessary to address the issue of claim runout (*i.e.*, the delay between provision of the service and billing, processing and payment of the claims) and avoid the need for reconciliation.
- h. Total supplemental payments shall not exceed the room under the upper payment limit.

TN # 18-0031
Supersedes
TN # NEW

Approval Date 03/19/19

Effective Date 10-01-2018