

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

Inpatient Hospital Supplemental Payments – General Pool (SPA 17-R)

The State of Connecticut Department of Social Services (DSS) proposes to submit the following Medicaid State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS).

Changes to Medicaid State Plan

Based on the most recent versions of the draft state budget for State Fiscal Year (SFY) 2018 and actions to date by the General Assembly, it is anticipated that SPA 17-R will amend Attachment 4.19-A of the Medicaid State Plan to implement inpatient supplemental Medicaid payments to specified hospitals effective on or after July 1, 2017. Although budget proposals and implementing legislation are still pending in the General Assembly at the time this notice is being prepared and this proposal may be modified in whole or in part before adoption of the final state budget for SFY 2018, federal regulations require the Department to submit public notice at this time. Accordingly, this SPA is subject to change, in whole or in part, in order to conform to the final approved state budget for SFY 2018.

Fiscal Information

Based upon preliminary estimates and the information that is available at this time, DSS estimates that this SPA will increase annual aggregate expenditures by up to approximately \$106 million in SFY 2018. If a proposal in the Governor's proposed state budget regarding hospital supplemental payments is adopted, this SPA may increase annual aggregate expenditures by up to approximately \$356 million in SFY 2018. As noted above, these estimates are subject to change, in whole or in part, based on the final version of the state budget for SFY 2018.

Obtaining SPA Language and Submitting Comments

The proposed SPA is posted on the DSS web site at this link: <http://www.ct.gov/dss>. Go to "Publications" and then "Updates". The proposed SPA may also be obtained at any DSS field office or the Town of Vernon Social Services Department, or upon request from DSS (see below).

To request a copy of the SPA from DSS or to send comments about the SPA, please email: christopher.lavigne@ct.gov or write to: Christopher A. Lavigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105

(Phone: 860-424-5719, Fax: 860-424-4812). Please reference “SPA 17-R: Inpatient Hospital Supplemental Payments – General Pool”.

Anyone may send DSS written comments about the SPA. Written comments must be received by DSS at the above contact information no later than June 29, 2017.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut**(2) Supplemental Reimbursement for Inpatient Hospital Services.**

Supplemental payments to eligible hospitals shall be made from a pool of funds in the amount of \$105.7 million for the year ending June 30, 2018. The payments shall be made periodically throughout the fiscal year.

- (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 2015 to each eligible hospital up to a maximum of \$50 million per year per hospital as reported as Medicaid inpatient accrued payments in each hospital's filing with the State of Connecticut Office of Health Care Access (OHCA). Each hospital's share of the supplemental payment pool is subject to adjustment if its Medicaid inpatient revenue as reported by the hospital on OHCA Reports 500 and 550 is audited. There shall be no further redistribution of inpatient hospital supplemental payments after adjustments are made based on such audit.

Additional supplemental payments to eligible hospitals shall be made from a pool of funds up to \$250 million for the year ending June 30, 2018. The payments shall be made periodically throughout the fiscal year.

- (a) Hospitals eligible for supplemental payments under this paragraph are all Connecticut hospitals other than hospitals operated exclusively by the State, other than a 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 2015 to each eligible hospital up to a maximum of \$50 million per year per hospital as reported as Medicaid inpatient accrued payments in each hospital's filing with the State of Connecticut Office of Health Care Access (OHCA). Each hospital's share of the supplemental payment pool is subject to adjustment if its Medicaid inpatient revenue as reported by the hospital on OHCA Reports 500 and 550 is audited. There shall be no further redistribution of inpatient hospital supplemental payments after adjustments are made based on such audit.