

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

DEC 10 2018

RECEIVED
State of Connecticut

DEC 18 2018

RE: Connecticut 18-0027

Dept. of Social Services
Commissioner's Office

Dear Commissioner Bremby:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-0027. This amendment modifies the standard out-of-state inpatient hospital all patient refined diagnosis-related group (APR-DRG) payment methodology. Specifically, the standard base rate is changed from \$7,855.63 to \$7,505.68. The amendment also clarifies reimbursement for cost associated with organ acquisition. Additionally, the state makes technical changes pertaining to the other payment option and services not covered in-state.

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 18-0027 is approved effective August 1, 2018. 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,

A handwritten signature in blue ink, appearing to read "Kristin Fan", is written over the typed name.

Kristin Fan,
Director

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

1. TRANSMITTAL NUMBER:
18-0027

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, 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)(1) of the Social Security Act and
42 CFR 440.10

7. FEDERAL BUDGET IMPACT:
FFY 2018 (\$43,000)
FFY 2019 (\$517,000)

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

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Attachment 4.19-A Page 1(ix)

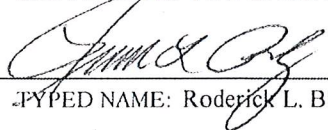
10. SUBJECT OF AMENDMENT: Effective August 1, 2018, this SPA amends Attachment 4.19-A of the Medicaid State Plan to remove references to the statewide average rate and simply state the rates for DRG and per diem payments, which are being updated to reflect the documentation and coding improvement adjustment previously applied to all in-state hospital base payment rates. The SPA also clarifies that reimbursement under the option of matching the home state rate is the DRG base rate without add-ons and that organ acquisition costs for transplants will be reimbursed in accordance with the home state Medicaid policy. Finally, it adds language to mirror the outpatient out-of-state hospital SPA concerning the negotiation of rates for services not available in Connecticut.

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 28, 2018

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: DEC 10 2018

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

AUG 01 2018

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME: KRISTIN FAN

22. TITLE: DIRECTOR, FMG

23. REMARKS:

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

J. Out-of-State and Border Hospital Reimbursement

1. Standard Payment Methodology. Except as otherwise provided below, each out-of-state and border hospital will be paid as follows and which is also the minimum amount to be paid:
 - a. Except as otherwise provided in b. and c. below, in reimbursing for inpatient hospital services to out-of-state and border hospitals, the Department shall pay a DRG base payment of \$7,505.68 multiplied by the applicable DRG weight for the discharge plus any applicable outlier payment. Organ acquisition costs for kidneys, livers, hearts, pancreas and lungs are reimbursed at the lower of the statewide average of actual average acquisition cost using the in-state Medicare cost reports, inflated by the inpatient hospital market basket as published by CMS, or actual charges. The Medicare cost report for the period two years prior to the current state fiscal year, submitted to the Office of Health Strategy, formerly the Office of Health Care Access, by July 1st will be used in the calculations. If there is no in-state average for a particular organ, the applicable hospital's most recent Medicare cost report will be used to compute actual average acquisition cost.
 - b. Out-of-state and border hospitals shall be paid a per diem rate of \$1,050.00 for psychiatric discharges.
 - c. Out-of-state and border hospitals shall be paid a per diem rate of \$1,370.00 for rehabilitation discharges.
2. Hospital Option. Each out-of-state and border hospital may request to have its rate set based on its home state Medicaid base rate excluding add-ons.
3. Services Not Available In-State. If the Department determines that a service is not available in Connecticut, the Department may pay an out-of-state or border hospital up to a maximum of the provider's usual and customary charges.