

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

May 6, 2021

Deidre S. Gifford, Commissioner
Department of Social Services
55 Farmington Avenue, 9th Floor
Hartford, CT 06105-3730

RE: Connecticut 21-0012

Dear Commissioner Gifford:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0012. Effective March 4, 2021, this amendment specifies reimbursement methodologies for inpatient services provided by newly licensed private psychiatric hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1923 and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment TN 21-0012 is approved effective March 4, 2021. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at (617) 565-1291 or Novena.JamesHailey@cms.hhs.gov.

Sincerely,

Francis T. McCullough

For

Rory Howe
Acting Director

Enclosures

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

1. TRANSMITTAL NUMBER:
21-0012

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:
March 4, 2021

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)(~~4~~)(14)(16) of the Social Security Act and
42 CFR 440.10 and 447.253(a), (b), and (c)

7. FEDERAL BUDGET IMPACT:
FFY 2021 (\$5,000)
FFY 2022 (\$9,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Page 32

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR
ATTACHMENT (If applicable)
Attachment 4.19-A, Page 32

10. SUBJECT OF AMENDMENT: This SPA amends Attachment 4.19-A of the Medicaid State Plan to specify a methodology for the per diem rates for inpatient services provided by a **newly-licensed** private psychiatric hospital **for which rates were not previously set forth in the state plan** and to avoid reimbursing in excess of budgeted or calculated cost, as applicable. Specifically, the lower of the following rates will be effective for dates of service **beginning** from the **later of the effective date of this SPA or the** effective date of the facility's initial licensure as a private psychiatric hospital **until and ending** the last day of the first month after the due date of its first Medicare cost report as a psychiatric hospital: (1) the hospital's budgeted cost per day based on available data at the time of licensure or (2) \$814.65 for adult days 1 – 29 and \$829.96 for child acute days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates. Effective for dates of service on and after the first day of the second month following the due date of the hospital's first Medicare cost report as a psychiatric hospital, its per diem rates will be calculated at the lower of: (A) 75% of cost from the Medicare cost report (as detailed below) for adult days 1 – 29 and acute child days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates or (B) the temporary amounts set forth in (2) above. Cost per day is calculated as the sum of hospital inpatient routine and ancillary service costs from the facility's Medicare cost report worksheet B, part I, column 26 and provider-based physician costs from worksheet A-8-2, column 4 18, divided by total days from worksheet S-3, part I, column 8.

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Deidre S. Gifford, MD, MPH

14. TITLE: Commissioner

15. DATE SUBMITTED:
March 30, 2021

16. RETURN TO:

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

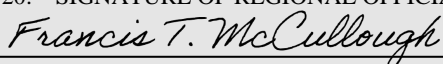
FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: March 30, 2021

18. DATE APPROVED: 5/6/21

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
March 4, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:
 For

21. TYPED NAME: Rory Howe

22. TITLE: Acting Director, Financial Management Group

23. REMARKS: **Pen and ink changes in block 6 and 10 per state request on 4/20/2021**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut(4) Private Psychiatric Hospitals for individuals under 22 and over 64 years of age:

- a. Effective January 1, 2012, per diem rates for private psychiatric hospitals will differentiate between adults 19 years of age and older and children 18 years of age and younger. Additionally, the adult psychiatric per diem rates will differentiate between lengths of stays less than 30 days and stays of 30 days or more. Additionally, the child psychiatric per diem rates will differentiate between medically necessary acute days and medically necessary discharge delay days.

- i. Except as otherwise provided below, effective January 1, 2012, per diem rates for the private psychiatric hospitals listed in this subsection 4.i shall be:

	Adult Per Diem		Child Per Diem	
	Days 1-29	Days 30+	Acute Days	Discharge Delay Days
NATCHAUG	\$814.65	\$692.45	\$829.96	\$705.47

Effective only from July 1, 2020 through June 30, 2021, the per diem rate for Natchaug Hospital is: (1) \$975.00 for adult per diem days 1-29 and child per diem acute days and (2) \$828.75 for adult days 30+ and child discharge delay days (85% of the per diem rate for adult days 1-29 and child acute days).

- ii. Effective March 4, 2021, the per diem rates for those licensed private psychiatric hospitals not listed in subsection 4.i immediately above, will temporarily, effective for dates of service beginning on the later of March 4, 2021 or the effective date of its initial licensure as a private psychiatric hospital and ending on the last day of the first month after it files its first Medicare cost report as a psychiatric hospital, be the lower of: (1) the hospital's budgeted cost per day based on available data at the time of licensure or (2) \$814.65 for adult days 1 – 29 and \$829.96 for child acute days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates. Effective for dates of service on and after the first day of the second month following the due date of such hospital's first Medicare cost report as a psychiatric hospital, its per diem rates will be calculated at the lower of: (A) 75% of cost from the Medicare cost report (as detailed below) for adult days 1 – 29 and acute child days with the adult days 30+ and child discharge delay day rates set at 85% of the respective adult and child rates or (B) the temporary amounts set forth in (2) above. Cost per day is calculated as the sum of hospital inpatient routine and ancillary service costs from worksheet B, part I, column 26 and provider-based physician costs from worksheet A-8-2, column 18, divided by total days from worksheet S-3, part I, column 8.
- b. The per diem rate is inclusive of all hospital service fees and hospital-based professional services. Payment shall continue as long as placement in this level of care is appropriate.
- c. Each out-of-state psychiatric hospital may have its rate set optionally based at \$1,050.00 per day, its home state Medicaid rate, its Medicare base rate, its percentage of allowable costs to charges based on its most recent Medicare cost report, or 42.9% of charges. Such percentage is applied to usual and customary charges in determining reimbursement.