

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

March 25, 2022

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

RE: Connecticut 21-0040

Dear Commissioner Gifford:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0040. Effective December 1, 2021 through December 31, 2023, this amendment makes changes to reimbursement for pediatric psychiatric inpatient hospital services.

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 21-0040 is approved effective December 1, 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,

A handwritten signature in cursive script that reads "Rory Howe".

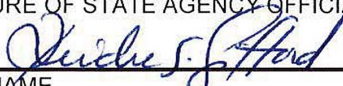
Rory Howe
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2 1 - 0 0 4 0</u>	2. STATE <u>CT</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE December 1, 2021	
5. FEDERAL STATUTE/REGULATION CITATION SSA Sec. 1905(a)(1),(16); 42 CFR 440.10, 160 & 447.253(a),(b),(c)	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2022</u> \$ 5,526,758 <u>5,416,255</u> b FFY <u>2023</u> \$ <u>9,462,066</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, Pages 1d and 1e	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) NEW	

9. SUBJECT OF AMENDMENT
1. Value Based Payment (VBP) rate add-on for increased utilization, etc.; 2. acuity-based rate add-on, case-by-case; 3. revised med necessary discharge delay policy on a case by case basis. SPA necessary to provide voluntary VBP payment opportunities for unmet need for pediatric inpatient psychiatric services and improve the quality of such services.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO State of Connecticut Department of Social Services 55 Farmington Avenue - 9th floor Hartford, CT 06105 Attention: Ginny Mahoney
12. TYPED NAME Deidre S. Gifford, MD, MPH	
13. TITLE Commissioner	
14. DATE SUBMITTED December 29, 2021	

FOR CMS USE ONLY

16. DATE RECEIVED December 29, 2021	17. DATE APPROVED March 25, 2022
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL December 1, 2021	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS

Pen & ink change in box #6 per state request 3/14/2022

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

Pediatric Inpatient Psychiatric Services: Interim Rate-Add-Ons and Change to Medically Necessary Discharge Delay Reimbursement Methodology

Effective only for dates of service from December 1, 2021 through December 31, 2023, the following payment changes apply to: in-state psychiatric hospital and each of the following in-state hospitals with a pediatric inpatient psychiatric unit: short-term general hospitals, children's short-term general hospitals, and chronic disease hospitals (except that a chronic disease hospital is eligible either if it has a pediatric inpatient psychiatric unit or if it has a dedicated unit for providing specialized behavioral health services to children, including autism spectrum disorder services), plus border hospitals that meet the following: This rate add-on is also potentially available to border hospitals in accordance with the same conditions as in-state hospitals and that also must meet all of the following parameters: licensed short-term general hospital with a pediatric inpatient psychiatric unit or a private psychiatric hospital; located no more than 10 miles from the Connecticut border; and have no fewer than fifty episodes of pediatric inpatient psychiatric services paid by Connecticut Medicaid each year beginning in calendar year 2019 and continuing on an ongoing basis.

Each of the categories of hospitals listed above will be eligible for one or both of the following rate add-ons or change in reimbursement policy, as applicable and as set forth below for applicable pediatric inpatient psychiatric bed days. General hospitals and chronic disease hospitals are reimbursed for pediatric inpatient psychiatric services under the inpatient hospital benefit category set forth in section 1905(a)(1) of the Social Security Act. Psychiatric hospitals are reimbursed for pediatric inpatient psychiatric services under the inpatient psychiatric services for individuals under age 21 set forth in section 1905(a)(16) of the Social Security Act.

1. Rate Add-On for Increasing Access: Effective for dates of service from December 1, 2021 through December 31, 2023, each eligible hospital that increases the hospital's daily average number of pediatric inpatient psychiatric beds paid by Medicaid for dates of service in each calendar quarter by 10% (rounded to the nearest whole number) or at least 2 beds, whichever is greater, compared to the daily average number of beds paid by Medicaid for dates of service in the same calendar quarter in calendar year 2019 and complies with the other requirements set forth below may be eligible for this add-on, except that on a case-by-case basis, each hospital may submit a written request to DSS for an extraordinary circumstances' exception if it was unable to meet such thresholds due to extraordinary circumstance beyond its control. The hospital must also provide the state with real-time bed tracking, conduct post-discharge follow-up with each family, participate in the state's care transition and suicide prevention initiatives, and provide enhanced data reporting to the state. This rate add-on will be paid for all pediatric inpatient psychiatric bed days for each calendar quarter (including medically necessary discharge delay days) in which the hospital meets all of those requirements.

The amount of this rate add-on is as follows:

TN# 21-0040
Supersedes
TN# NEW

Approval Date March 25, 2022

Effective Date: 12/01/2021

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

- a. For each eligible in-state non-governmental short-term general hospital that is currently paid in the first or second tier of the three tiered inpatient psychiatric per diem rate system, the add-on will be equivalent to transitioning to the current highest tier which will then increase by 2% each January 1st. This rate, incorporating the add-on, is as follows: calendar year 2021: \$1,170.45; calendar year 2022: \$1,193.86; calendar year 2023: \$1,217.74
 - b. For each eligible border hospital and each eligible in-state children's general hospital and governmental short-term general hospital, the rate add-on will be equivalent to transitioning to the highest rate in the three-tiered system not incorporating any increases due to the 2019 settlement agreement with in-state non-governmental short-term general hospitals. This rate, incorporating the add-on, is \$1,125.00.
 - c. Notwithstanding the above, any hospital that currently receives the highest inpatient psychiatric rate or a chronic disease hospital will receive a 10% rate add-on to the applicable rate.
 - d. For each eligible in-state psychiatric hospital, the rate add-on will be equivalent to transition to the highest rate in the three-tiered system during calendar year 2021. This rate, incorporating the add-on, is \$1,170.45.
2. Rate Add-On for High Acuity: Effective for dates of service from December 1, 2021 through December 31, 2023, each eligible hospital will be paid a 10% rate add-on to the hospital's inpatient psychiatric per diem rate (in addition to the rate add-on under 1. above, if applicable) for the pediatric inpatient psychiatric bed days provided to each child whose behavior demonstrates acuity that requires additional support on the inpatient unit and is sufficiently acute that it interferes with the therapeutic participation or milieu on the inpatient unit of the child or other children based on the condition of the child. To receive this add-on, the state or its agent must approve the hospital's prior authorization request for this add-on which must include the hospital's documentation that the specified bed days meet the requirements of this paragraph.
 3. Modification to Applicability of Medically Necessary Discharge Delay Rates: Effective for dates of service from December 1, 2021 through December 31, 2023, due to current high demand for inpatient services in conjunction with decreased capacity for non-inpatient services, the hospital will be paid the full applicable per diem rate, not the medically necessary discharge delay rate for applicable bed days when the individual no longer needs to remain in the inpatient setting but the state or its agent confirms as part of the authorization or concurrent review process that: the hospital has made and continues to make every attempt to secure the appropriate discharge plan that best meets the individual's needs; the discharge plan is appropriate but cannot be implemented for the applicable dates of service due to lack of availability of community-based services that are appropriate for the individual's discharge plan; and that active treatment is occurring in the hospital based on the individual's needs and meets medical necessity.

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