

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

June 1, 2020

Kathleen M. Brennan, Deputy Commissioner  
Department of Social Services  
Office of the Deputy Commissioner  
55 Farmington Avenue  
Hartford, CT 06105-3730

**RE: Connecticut State Plan Amendment (SPA) Transmittal Number 19-0018**

Dear Deputy Commissioner Brennan:

We have reviewed the proposed Connecticut State Plan Amendment (SPA) to Attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2019. This plan amends the implementation of Medicaid supplemental payments for outpatient hospital services to specified acute care hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2019. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact James Moreth at 206-615-2043 or [James.Moreth@cms.hhs.gov](mailto:James.Moreth@cms.hhs.gov).

Sincerely,

*Todd McMillion*

Todd McMillion  
Director  
Division of Reimbursement Review

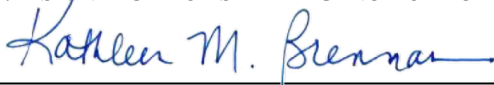
Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER: 19-0018	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: July 1, 2019	
5. TYPE OF STATE PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1905(a)(2)(A) of the Social Security Act and 42 CFR 440.20(a)	7. FEDERAL BUDGET IMPACT: FFY 2019      \$22.7 million FFY 2020      \$90.5 million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Addendum Page 1f to Attachment 4.19-B, Page 1 Addendum Pages 1f(i) and 1f(ii) to Attachment 4.19-B, Page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable) Addendum Page 1f to Attachment 4.19-B, Page 1 NEW

10. SUBJECT OF AMENDMENT: Effective July 1, 2019, this SPA amends Attachment 4.19-B of the Medicaid State Plan to implement two pools of Medicaid supplemental payments for outpatient hospital services to specified licensed short-term general hospitals, which are required by the state's settlement agreement with in-state non-governmental licensed short-term general hospitals and implementing state legislation in Public Act 19-1 of the December 2019 special session. As described in the SPA, the first pool of supplemental payments largely follows the same criteria as the supplemental payments in the approved state plan for the prior state fiscal year (SFY), with the following changes: (1) the amount of the pool has changed to \$100 million annually and (2) general language was added to clarify the effect on supplemental payments of hospital mergers/acquisitions and dissolutions. The second pool is a mid-sized hospital pool for hospitals that meet the following criteria based on each hospital's FFY 2016 filing with the state's Office of Health Strategy: (1) emergency department visits of between 30,000 and 90,000; and (2) Medicaid gross revenue between 6% and 18%. As described in the SPA, payments to qualifying hospitals are based on Medicaid outpatient payments with additional amounts provided to independent hospitals. Aggregate totals are \$136.65 million each year for SFY 2020 and SFY 2021, \$144.15 million for SFY 2022, and \$148.65 million per SFY for SFY 2023 through SFY 2026. The amount in effect in SFY 2026 will continue for SFY 2027 and future years unless modified by a future SPA.

11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:  State of Connecticut Department of Social Services 55 Farmington Avenue – 9th floor Hartford, CT 06105 Attention: Ginny Mahoney
13. TYPED NAME: Kathleen M. Brennan	
14. TITLE: Deputy Commissioner	
15. DATE SUBMITTED: September 30, 2019	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 09/30/2019	18. DATE APPROVED: 06/01/2020
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/2019	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME:  Todd McMillion	22. TITLE:  Director, Division of Reimbursement Review
23. REMARKS:	

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

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**Supplemental Reimbursement for Outpatient Hospital Services.**

General criteria applicable to all outpatient hospital supplemental payments made under this section of Attachment 4.19-B (Addendum Pages 1f, f(i) and f(ii) to Attachment 4.19-B, page 1).

- (a) If a hospital is merged or acquired by another hospital, the supplemental payments that would have been paid to the merging hospital shall instead be paid to the acquiring hospital starting with the first calendar quarter that begins on or after the effective date of the merger or acquisition.
- (b) If a hospital dissolves or ceases to exist, the supplemental payments that would have been paid to the dissolved hospital shall not be made to any other hospital for the remainder of the state fiscal year (SFY) in which the effective date of the dissolution occurred. Effective starting with the beginning of the SFY after the dissolution, the supplemental payments that would have been made to the dissolved hospital will be distributed in accordance with the supplemental payment pool's distribution methodology.
- (c) All figures in supplemental payment eligibility and/or distribution methodologies based on each hospital's filings with the State of Connecticut Office of Health Strategy (OHS), formerly Department of Public Health, Office of Health Care Access (OHCA) are subject to adjustment if the applicable OHS report is adjusted upon audit by OHS. There shall be no further redistribution of outpatient hospital supplemental payments after adjustments are made based on such audit.
- (d) For all of the pools described below, effective for dates of service from SFY 2027 and forward (July 1, 2026 forward), the amounts shall continue at the levels in effect during SFY 2026 unless this section is modified by a future SPA.

**Supplemental Payments for General Outpatient Hospital Services**

Supplemental payments to eligible hospitals shall be made from a pool of funds in the amount of \$100 million per SFY for the state fiscal years 2020 through SFY 2026. The payments shall be made quarterly throughout each fiscal year in accordance with the following paragraphs except that the payment for the first quarter of SFY 2020 shall be made as an interim payment that is reconciled to the actual amount before the end of the SFY:

- (a) Hospitals eligible for supplemental payments under this section are non-governmental licensed short-term general hospitals located in the state other than short-term children's general hospitals, but including a licensed short-term general hospital operated by the State as a receiver.

TN # 19-0018  
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TN # 18-0002

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

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- (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 outpatient revenues of all eligible hospitals in the aggregate as reported in each hospital's Federal Fiscal Year 2016 filing with the State of Connecticut, Office of Health Strategy (OHS), formerly Department of Public Health, Office of Health Care Access (OHCA).
- (c) Any funds remaining in the mid-sized outpatient hospital pool due to one or more hospitals becoming ineligible for the additional supplemental payment shall be transferred to this pool and allocated to eligible hospitals in accordance with the distribution methodology in (b) above.

**Supplemental Reimbursement to Mid-Sized Hospitals for Outpatient Hospital Services.**

This pool totals \$36.65 million each year for SFYs 2020 and 2021, \$44.15 million for SFY 2022, and \$48.65 million per SFY for SFY 2023 through SFY 2026. The payments shall be made quarterly throughout each fiscal year in accordance with the following paragraphs except that the payment for the first quarter of SFY 2020 shall be made as an interim payment that is reconciled to the actual amount before the end of the SFY:

- (a) Hospitals eligible for supplemental payments under this section are non-governmental licensed short-term general hospitals (excluding licensed children's general hospitals and licensed short-term general hospitals operated exclusively by the State, other than a licensed short-term general hospital operated by the State as a receiver) that, as reported in each hospital's FFY 2016 filing with OHS, have: (1) emergency department visits of more than 30,000 but not more than 90,000; and (2) Medicaid gross revenue of not less than 6% but not more than 18% of total revenue.
- (b) Each eligible hospital shall receive a supplemental payment in accordance with the table below based on its level of Medicaid inpatient accrued payments reported in its FFY 2016 filing with OHS.

Medicaid Outpatient Accrued Payments	Supplemental Payment Per SFY for the following SFYs:		
	2020 - 2021	2022	2023 & thereafter
Less than \$10 million	\$2,750,000	\$4,250,000	\$4,250,000
Between \$10 and \$21.5 million	\$5,500,000	\$7,000,000	\$8,000,000
Greater than \$21.5 million	\$8,250,000	\$9,750,000	\$10,750,000

TN # 19-0018Approval Date 6/1/20Effective Date 07/01/2019

Supersedes

TN # NEW

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

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- (c) Independent hospitals shall receive an additional supplemental payment in accordance with the table below based on its level of Medicaid outpatient accrued payments reported in its FFY 2016 filing with OHS. Independent hospitals are defined as not affiliated with any other hospital or with any hospital system that includes two or more hospitals, as determined by OHS's Certificate of Need process.

Medicaid Outpatient Accrued Payments:	Supplemental Payment per SFY for the following SFYs:	
	SFY 2020 – 2022	SFY 2023 & thereafter
Less than \$21.5 million	\$500,000	\$500,000
Greater than \$21.5 million	\$3,150,000	\$3,650,000

- (d) A hospital shall become ineligible for the additional supplemental payment in item (c) beginning with the quarter following the closing date of the completion of a merger or formal affiliation (i.e., a formal affiliation in which the hospital controls, is controlled by, or operates under common control, directly or indirectly) with another hospital or hospital system that includes at least one other hospital, as determined based on OHS's Certificate of Need process. A hospital that becomes ineligible shall remain ineligible for supplemental payments for calendar quarters after it became ineligible.
- (e) Any remaining funds due to one or more hospitals becoming ineligible for the additional supplemental payment described in items (c) and (d) above shall be moved to the general outpatient supplemental payment pool.

TN # 19-0018  
 Supersedes  
 TN # NEW

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Effective Date 07/01/2019