

**STATE OF CONNECTICUT  
DEPARTMENT OF SOCIAL SERVICES**

**Notice of Proposed Medicaid State Plan Amendment (SPA)**

**SPA 25-F: Pediatric Inpatient Psychiatric Services: Interim Rate-Add-Ons and  
Change to Medically Necessary Discharge Delay Reimbursement Methodology**

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). Public comment information is at the bottom of this document.

**Changes to Medicaid State Plan**

Effective on or after January 1, 2025, SPA 25-F will amend Attachment 4.19-A of the Medicaid State Plan, the Department of Social Services (DSS) will extend rate add-ons ending December 31, 2024, for pediatric inpatient psychiatric services currently approved in the Medicaid State Plan. Specifically, this SPA extends the following rate add-ons for two years, through December 31, 2026.

Collectively, these rate add-ons are an interim voluntary value-based payment (VBP): (1) rate add-on to the applicable per diem rate for increasing bed capacity, utilization, and various reporting requirements; (2) an acuity-based add-on to the applicable per diem rate as authorized on a case-by-case basis; and (3) revision to the medically necessary discharge delay policy to provide reimbursement at the full per diem rate on a case-by-case basis. The purpose of these voluntary value-based payment opportunities is to help address the unmet need for pediatric inpatient psychiatric services and improve the quality of such services.

**Fiscal Impact**

DSS estimates that this SPA will increase annual aggregate expenditures by approximately \$8,609,896 in SFY 2025, and \$17,579,983 in SFY 2026.

**Obtaining SPA Language and Submitting Comments**

The proposed SPA is posted on the DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Medicaid-State-Plan-Amendments>. The proposed SPA may also be obtained at any DSS resource center, at 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: [Public.Comment.DSS@ct.gov](mailto:Public.Comment.DSS@ct.gov) or write to: Department of Social Services, Medical Policy Unit, 55

Farmington Avenue, 9th Floor, Hartford, CT 06105. Please reference “**SPA 25-F: Pediatric Inpatient Psychiatric Services: Interim Rate-Add-Ons and Change to Medically Necessary Discharge Delay Reimbursement Methodology**”.

Anyone may send DSS written comments about this SPA. Written comments must be received by DSS at the above contact information no later than **January 27, 2025**.

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

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**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, 202~~6~~4, 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, 202~~6~~4, each eligible hospital that increases the hospital's daily average number of pediatric inpatient psychiatric beds paid by Connecticut 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 Connecticut 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. If a hospital's approved start date for this rate add-on is not the first day of a calendar quarter, then the calculation of minimum increase in bed days is the daily average number of pediatric inpatient psychiatric beds actually paid by Connecticut Medicaid from the start date through the end of the calendar quarter but is still compared to the average daily average number of beds paid by Connecticut Medicaid for dates of service in the same calendar quarter in calendar year 2019. Notwithstanding the previous two sentences, 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# 25-F  
Supersedes  
TN# 24-0002

Approval Date \_\_\_\_\_

Effective Date: 01/01/2025

## 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 1<sup>st</sup>. 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, 2026, 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, 2026, 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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