

**STATE OF CONNECTICUT  
DEPARTMENT OF SOCIAL SERVICES**

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

**SPA 24-0008: Interim Payments to Providers Affected by the Change Healthcare Cybersecurity Incident**

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 retroactive to February 22, 2024 and through dates of service no later than June 30, 2024, this SPA will amend Section 7 of the Medicaid State Plan by adding a new Section 7.4-C to make interim payments as described below. This SPA does not change any underlying covered services or payment methodology, which continue to be governed by the applicable provisions of the Medicaid State Plan in effect at the time services were provided.

This SPA is being submitted in accordance with the CMS Center for Medicaid and Children's Health Insurance Program (CHIP) (CMCS) Informational Bulletin (CIB) dated March 15, 2024 and posted to the CMS website at this link: <https://www.medicaid.gov/sites/default/files/2024-03/cib031524.pdf>. The purpose of this SPA is to enable the state to make interim payments to providers whose ability to submit Medicaid claims were disrupted by the recent cybersecurity incident at Change Healthcare, a unit of UnitedHealth Group. Pursuant to the CIB, the state will provide interim payments to affected providers to maintain continuity of care to members without interruption. This SPA does not change any covered services or payment methodology, which continue to be governed by the applicable provisions of the Medicaid State Plan in effect at the time services were provided.

Effective retroactively to February 22, 2024, and effective for affected services provided on or before June 30, 2024, Medicaid providers that can demonstrate to the state with proper documentation that their ability to process and submit Medicaid claims was disrupted by the Change Healthcare cybersecurity incident (the incident) can request to receive interim payments for covered Medicaid services in accordance with this section. These payments will be in amounts representative of each applicable claims cycle, as set forth below under "Interim Payment" for services that were not otherwise paid as a result of the incident.

**Eligible Provider Types**

Eligible provider types include, but are not limited to the providers providing services and billing under each of the following Medicaid State Plan benefit categories within section 1905(a) of the Social Security Act unless specified otherwise below, each of which is defined in more detail in the applicable section of Attachments 4.19-A, 4.19-B, or 4.19-D:

- Inpatient Hospital (section 1905(a)(1)),
- Outpatient Hospital (section 1905(a)(2)(A)),
- Federally Qualified Health Centers (section 1905(a)(2)(C)),
- Home Health (section 1905(a)(7)), including all applicable subcategories of 42 C.F.R. § 440.70 (i.e., nursing services, home health aide services, therapy services, and medical equipment, devices and supplies),
- Clinic Services (section 1905(a)(9)),
- Rehabilitation Services (section 1905(a)(13)(C)),
- Early and Periodic Screening Diagnostic and Treatment (EPSDT) (section 1905(a)(4)(B), specifically the School-Based Child Health (SBCH) benefit,
- Outpatient Prescription Drugs (Pharmacy) (section 1905(a)(12)),
- Physician Services (section 1905(a)(5)),
- Other Licensed Practitioner (section 1905(a)(6)), including all categories covered in Attachment 3.1-A of the Medicaid state plan (e.g., nurse practitioner, behavioral health clinician, podiatrist, naturopath, psychologist, acupuncturist, etc.),
- Dentist (section 1905(a)(10)),
- Hospice (section 1905(a)(18)),
- Intermediate Care Facility for Individuals with Intellectual Disabilities (section 1905(a)(15)), and
- Any other benefit category covered by the state under the Medicaid State Plan or section 1915(c) waiver and for which the provider demonstrates to the state that it was affected by the incident as detailed above.

### Interim Payment

Medicaid providers are currently reimbursed via biweekly claim cycles with one three-week claim cycle occurring each quarter. Interim payments will be calculated in accordance with the methodology outlined below.

1. For biweekly claim cycles the payment amounts will be estimated for each impacted provider using the average biweekly claim cycle payment amount reimbursed between July 1, 2023, through February 29, 2024.
2. For three-week claim cycles the payment amounts will be estimated for each impacted provider using the average three-week claim cycle payment amount reimbursed between July 1, 2023, through February 29, 2024.
3. For each claims cycle during the effective dates of this section for which the provider is requesting an interim payment, the interim payments will be calculated as: (a) the estimated average biweekly

or three-week claim cycle payment amounts, as applicable to the claims cycle minus (b) the amount that was actually paid in the impacted claim cycle.

Interim payments will be made for services provided through June 30, 2024, for as long as the provider is impacted by the incident.

### Reconciliation

The payments authorized under this section are not advanced payments or prepayments prior to services furnished by providers. These interim payments will be reconciled to the final payment amount the provider was eligible to receive under the Medicaid state plan for its applicable provider type reimbursement during the timeframe for which it was receiving interim payments under this provision based on the actual covered services performed by the provider for Medicaid members. The reconciliation will be completed no later than September 30, 2024, except that, on a case-by-case basis, a provider may request an extension of time from the state and subject to the state's approval but no later than December 31, 2024 to complete the reconciliation due to extenuating circumstances documented by the provider and provided further that the provider demonstrates that it is taking reasonable efforts to expedite the reconciliation.

If the reconciliation results in discovery of an overpayment to the provider, the state will attempt to recoup the overpayment amounts within ninety (90) days and will return the federal share within the timeframe specified in 42 C.F.R. §§ 433.316 and 433.320 regardless of whether the state actually recoups the overpayment amount from the provider, unless an exception applies under 42 C.F.R. part 433, subpart F.

If the reconciliation results in an underpayment to the provider, the state will make an additional payment to the provider in the amount of the underpayment within 90 days.

### Assurances

The state will follow all applicable program integrity requirements relating to interim payments to providers and the associated reconciliation process. The state will ensure that all providers receiving payments under this interim methodology will continue to furnish applicable services to Medicaid beneficiaries during the interim payment period and that access to such services is not limited.

As described above, the purpose of this SPA is to provide financial support to Medicaid providers so that they can continue to provide essential care for Medicaid enrollees.

### Fiscal Impact

DSS anticipates that this SPA will not have a significant impact on annual aggregate expenditures in State Fiscal Year (SFY) 2024 and SFY 2025 because this SPA authorizes interim payments intended to make providers whole relative to the level of funding currently budgeted and those payments will then be reconciled to actual services provided.

### **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 24-0008: Interim Payments to Providers Affected by the Change Healthcare Cybersecurity Incident”.

Anyone may send DSS written comments about this SPA. Written comments must be received by DSS at the above contact information no later than **April 25, 2024**.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Connecticut**Section 7 – General Provisions****7.4-C Interim Payments to Providers Affected by the Change Healthcare Cybersecurity Incident**

Effective retroactively to February 22, 2024, and effective for affected services provided on or before June 30, 2024, Medicaid providers that can demonstrate to the state with proper documentation that their ability to process and submit Medicaid claims was disrupted by the Change Healthcare cybersecurity incident (the incident) can request to receive interim payments for covered Medicaid services in accordance with this section. These payments will be in amounts representative of each applicable claims cycle, as set forth below under “Interim Payment” for services that were not otherwise paid as a result of the incident.

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- Rehabilitation Services (section 1905(a)(13)(C)),
- Early and Periodic Screening Diagnostic and Treatment (EPSDT) (section 1905(a)(4)(B), specifically the School-Based Child Health (SBCH) benefit,
- Outpatient Prescription Drugs (Pharmacy) (section 1905(a)(12)),
- Physician Services (section 1905(a)(5)),
- Other Licensed Practitioner (section 1905(a)(6)), including all categories covered in Attachment 3.1-A of the Medicaid state plan (e.g., nurse practitioner, behavioral health clinician, podiatrist, naturopath, psychologist, acupuncturist, etc.),
- Dentist (section 1905(a)(10)),
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- Any other benefit category covered by the state under the Medicaid State Plan or section 1915(c) waiver and for which the provider demonstrates to the state that it was affected by the incident as detailed above.

TN # 24-0008

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

Effective Date 02/22/2024

Supersedes

TN # NEW

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ConnecticutInterim Payment

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Interim payments will be made for services provided through June 30, 2024, for as long as the provider is impacted by the incident.

Reconciliation

The payments authorized under this section are not advanced payments or prepayments prior to services furnished by providers. These interim payments will be reconciled to the final payment amount the provider was eligible to receive under the Medicaid state plan for its applicable provider type reimbursement during the timeframe for which it was receiving interim payments under this provision based on the actual covered services performed by the provider for Medicaid members. The reconciliation will be completed no later than September 30, 2024, except that, on a case-by-case basis, a provider may request an extension of time from the state and subject to the state's approval but no later than December 31, 2024 to complete the reconciliation due to extenuating circumstances documented by the provider and provided further that the provider demonstrates that it is taking reasonable efforts to expedite the reconciliation.

If the reconciliation results in discovery of an overpayment to the provider, the state will attempt to recoup the overpayment amounts within ninety (90) days and will return the federal share within the timeframe specified in 42 C.F.R. §§ 433.316 and 433.320 regardless of whether the state actually recoups the overpayment amount from the provider, unless an exception applies under 42 C.F.R. part 433, subpart F.

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TN # 24-0008

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

Effective Date 02/22/2024

Supersedes

TN # NEW

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Connecticut

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Assurances

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Supersedes  
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Effective Date 02/22/2024