

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 22-AG: Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Reimbursement

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).

Changes to Medicaid State Plan

Effective from July 1, 2022 through June 30, 2023, this SPA will amend Attachment 4.19-D of the Medicaid State Plan to make the following changes to the reimbursement methodology for private ICF/IIDs. Note that approved SPA 21-0027 made similar changes for State Fiscal Year (SFY) 2022; this SPA makes the applicable changes to the Medicaid State Plan for SFY 2023.

For SFY 2023, this SPA implements a rate increase for the purpose of wage and benefit enhancements for ICF/IID employees. Facilities that receive a rate adjustment for the purpose of wage and benefit enhancements but do not provide employee salary increases on or before July 31, 2022, may be subject to a rate decrease in the same amount as rate increase.

For SFY 2023, the minimum per diem, per bed rate for each private ICF/IID increases to \$501. Any private ICF/IID with a rate below such amount will be increased to that rate for SFY 2023.

For SFY 2023, rates shall not exceed those in effect for SFY 2022, except that DSS may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2021, that are not otherwise included in rates issued. For SFY 2023, a facility may receive a rate increase for a capital improvement approved by the Department of Developmental Services, in consultation with DSS, for the health or safety of the residents during SFY 2023, only to the extent such rate increases are within available appropriations.

For SFY 2023, DSS may provide fair rent increases to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need.

The purpose of this SPA is to comply with sections 320 and 325 of Public Act 21-2 of the June special session of the Connecticut General Assembly, An Act Concerning Provisions Related to Revenue and Other Items to Implement the State Budget for the Biennium Ending June 30, 2023. Section 325 requires DSS to increase the minimum per diem rate for private ICF/IIDs to \$501. Section 356, which was codified as section 17b-340(h) of the Connecticut General Statutes, provides for the other changes described above. In addition, the requirement for DSS to increase the minimum per diem rate for private ICF/IIDs to \$501 was repeated in section 230 of Public Act 22-118, An Act Adjusting the State Budget for the Biennium Ending June 30, 2023, Concerning Provisions Related

to Revenue, School Construction and Other Items to Implement the State Budget and Authorizing and Adjusting Bonds of the State.

DSS is currently analyzing the projected Upper Payment Limit (UPL) demonstration for SFY 2023. In general, the UPL is a federally required limit on Medicaid payment, which is a calculated amount using federally specified Medicare cost principles, above which Medicaid federal financial participation (FFP) is not available. Depending on the specific results of the UPL demonstration, one or more portions of this SPA may be modified or removed to the extent necessary to reflect that Medicaid payments to ICF/IIDs remain within the UPL.

Fiscal Impact

Based on the information that is available at this time, DSS anticipates that this SPA will increase annual aggregate Medicaid expenditures by approximately \$4,697,798 in SFY 2023 and \$427,073 in SFY 2024.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site 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 field office or 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 or write to: Medical Policy Unit, Department of Social Services, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105 (Phone: 860-424-5067). Please reference: “SPA 22-AG: Private ICF/IID Reimbursement”.

Anyone may send DSS written comments about this SPA. Written comments must be received by DSS at the above contact information no later than July 28, 2022.

**State Plan under Title XIX of the Social Security Act
State of Connecticut
Methods for Establishing Payment Rates – Intermediate Care Facilities for
Individuals with Intellectual Disabilities (ICF/IID)**

For the fiscal year ending June 30, 2022, except as otherwise provided below, rates shall not exceed those in effect for the fiscal year ending June 30, 2021, except pro rata fair rent increases will be provided to facilities that have documented fair rent additions placed in service in the cost report year ending September 30, 2020, that are not otherwise included in rates issued.

For the fiscal year ending June 30, 2022, fair rent increases will be provided to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need.

For the fiscal year ending June 30, 2022, rates are increased by 4.30% for the purpose of wage and benefit enhancements for employees of ICF/IID. Facilities that receive a rate adjustment for the purpose of wage and benefit enhancements but do not provide increases in employee salaries will be subject to a rate decrease in the same amount as the rate increase retroactive to the date of that rate increase.

For the fiscal year ending June 30, 2023, except as otherwise provided below, rates shall not exceed those in effect for the fiscal year ending June 30, 2022, except pro rata fair rent increases will be provided to facilities that have documented fair rent additions placed in service in the cost report year ending September 30, 2021, that are not otherwise included in rates issued.

For the fiscal year ending June 30, 2023, fair rent increases will be provided to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need.

For the fiscal year ending June 30, 2023, rates are increased by 4.5% for the purpose of wage and benefit enhancements for employees of ICF/IID. Facilities that receive a rate adjustment for the purpose of wage and benefit enhancements but do not provide increases in employee salaries will be subject to a rate decrease in the same amount as the rate increase retroactive to the date of that rate increase.

For fiscal year ending June 30, 2023, the minimum per diem, per bed rate for each private ICF/IID increases to \$501. Any private ICF/IID with a rate below such amount will be increased to that rate.

TN # 22-AG
Supersedes
TN # 21-0027

Approval Date _____

Effective Date 07/01/2022