DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 18-W: Out-of-State Inpatient Hospital Rate Update

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 on or after August 1, 2018, as described below, SPA 18-0027 will amend Attachment 4.19-A of the Medicaid State Plan to modify the out-of-state inpatient hospital rate.

Specifically, the out-of-state all patient refined, diagnosis-related group (APR-DRG) base payment rate will be changed from $7,855.63 to $7,505.68 to reflect the documentation and coding improvement adjustment previously applied to all in-state hospital base payment rates. The SPA will remove reference to the statewide average rate and simply state the rates for DRG and per diem payments. The SPA will also clarify that the option of matching the home state rate is the DRG base rate without add-ons and that organ acquisition costs for transplants will be reimbursed in accordance with the home state Medicaid policy. Finally, it adds language to mirror the outpatient out-of-state hospital SPA concerning the negotiation of rates for services not available in Connecticut.

Fiscal Impact

DSS estimates that this SPA will decrease annual aggregate expenditures by approximately $730,000 in SFY 2019 and $800,000 in SFY 2020.

Compliance with Federal Access Regulations

In accordance with federal regulations at 42 C.F.R. §§447.203 and 447.204, DSS is required to ensure that there is sufficient access to Medicaid services, including services where payment rates are proposed to be reduced or where payment rates or methodologies are being restructured in a manner that may affect access to services. Those federal regulations also require DSS to have ongoing mechanisms for Medicaid members, providers, other stakeholders, and the public to provide DSS with feedback about access. In addition to other available procedures, anyone may send DSS comments about the potential impact of this SPA on access to hospital services as part of the public comment process for this SPA. Contact information and the deadline for submitting public comments are listed below.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site at this link: http://portal.ct.gov/dss. Scroll down to the bottom of the webpage and click on "Publications" and then click on "Updates." Then click on "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 18-W: Out-of-State Inpatient Hospital Rate Update".

Anyone may send DSS written comments about the SPA. Written comments must be received by DSS at the above contact information no later than July 26, 2018.

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

J. Out-of-State and Border Hospital Reimbursement

1. In reimbursing for inpatient hospital services to out-of-state and border hospitals, the department shall pay a DRG base payment of $7,505.68 multiplied by the applicable DRG weight for the discharge plus any applicable outlier payment.
2. Out-of-state and border hospitals shall be paid a per diem rate of $1,050.00 for psychiatric discharges.
3. Out-of-state and border hospitals shall be paid a per diem rate of $1,370.00 for rehabilitation discharges.

Each out-of-state and border hospital may have its rate set based on its home state Medicaid base rate excluding add-ons. For transplant cases paid at the home state Medicaid base rate, organ acquisition costs will be reimbursed in accordance with the home state Medicaid policy. If the department determines that a service is not available in Connecticut, the department may negotiate payment rates and conditions with such provider, up to, but not exceeding, the provider's usual and customary charges.