

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 19-V: Nursing Facility 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 and Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS).

Changes to Medicaid State Plan

Based on the information that is available at the time this notice is being submitted for publication, including, but not limited to, a recent public announcement by the administration and the most recent versions of the draft state budget for State Fiscal Years (SFY) 2020 and 2021 and actions to date by the General Assembly, it is anticipated that SPA 19-V will amend Attachment 4.19-D of the Medicaid State Plan effective on or after July 1, 2019, as follows.

For the fiscal year ending June 20, 2020, and June 30, 2021, the department shall determine facility rates based upon the 2018 cost report filings subject to the provisions of this section and applicable regulations, but no facility shall receive a rate that is higher than the rate in effect on November 1, 2018, and no facility shall receive a rate that is more than 2% lower than the rate in effect on November 1, 2018, except any facility with occupancy lower than 70% or a most recently published five-star rating of less than two stars will not receive a limit on the rate decrease.

Effective on or after July 1, 2019, this SPA will amend Attachment 4.19-D of the Medicaid State Plan to provide Chronic and Convalescent Nursing Home (CCNH) and Rest Home with Nursing Supervision (RHNS) nursing homes a 2% Medicaid rate increase. The increases are specifically intended to support a permanent increase of no less than 2% in aggregate to the compensation of employees working at the nursing home. Funding from this 2% rate increase program should be used for the following purposes: increases to employee wages or salaries, increases to the health/dental benefit or retirement plans and/or a combination of all three.

Effective on or after October 1, 2020, this SPA will amend Attachment 4.19-D of the Medicaid State Plan to provide Chronic and Convalescent Nursing Home (CCNH) and Rest Home with Nursing Supervision (RHNS) nursing homes a 1% Medicaid rate increase. The increases are specifically intended to support a permanent increase of no less than 1% in aggregate to the compensation of employees working at the nursing home. Funding from this 1% rate increase

program should be used for the following purposes: increases to employee wages or salaries, increases to the health/dental benefit or retirement plans and/or a combination of all three.

Effective on or after January 1, 2021, this SPA will amend Attachment 4.19-D of the Medicaid State Plan to provide Chronic and Convalescent Nursing Home (CCNH) and Rest Home with Nursing Supervision (RHNS) nursing homes a 1% Medicaid rate increase. The increases are specifically intended to support a permanent increase of no less than 1% in aggregate to the compensation of employees working at the nursing home. Funding from this 1% rate increase program should be used for the following purposes: increases to employee wages or salaries, increases to the health/dental benefit or retirement plans and/or a combination of all three.

Although budget proposals and implementing legislation are still pending in the General Assembly at the time this notice is being prepared and this proposal may be modified in whole or in part before adoption of the final state budget for SFY 2020 and 2021, federal regulations require DSS to submit public notice at this time. Accordingly, this SPA is subject to change, in whole or in part, as necessary to comply with the final approved state budget and implementing legislation for SFY 2020 and 2021.

Fiscal Impact

Based on estimates utilizing the most recent information that is available at this time, this SPA is anticipated to increase annual aggregate Medicaid expenditures by approximately \$15.9 million in State Fiscal Year (SFY) 2020 and \$27.3 million in SFY 2021.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS website at the following 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, 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 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 19-V: Nursing Facility 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 June 28, 2019.

State: Connecticut

 Methods and Standards for Establishing Payment Rates for Nursing Facilities

Effective November 1, 2018, Medicaid-participating nursing facilities shall receive a 2% rate increase over the previously issued Medicaid rate effective July 1, 2018. Although the rate increase will increase revenue for providers overall, this increase is specifically intended to support a permanent increase of no less than 2% in aggregate to the compensation of employees working at the nursing facility. Funding from this 2% rate increase program should be used for the following purposes: increases to employee wages or salaries, increases to the health/dental benefit or retirement plans and/or a combination of all three. The funding may not be used for lump sum payments or bonuses in lieu of a permanent overall 2% increase to employee compensation. After the implementation of an overall 2% increase to the compensation of employees, any rate increase revenues remaining may be utilized to address other than employee compensation critical operational needs. Specific non-eligible uses include increases in management fees, rent, ownership compensation, and related party contractors. Nursing facilities will have the option to opt-out of this rate increase. For nursing facilities that receive the rate increase, the Department will conduct a review of the annual cost reports including desk review documentation to ensure funding under the program was used appropriately. If after completion of the review, the Department finds that a nursing facility did not utilize program funds as intended, the Department retains the authority to rescind the rate increase and retrospectively recoup the funding related to the 2% rate increase.

For the fiscal year ending June 30, 2020 and June 30, 2021, the department shall determine facility rates based upon 2018 cost report filings subject to the provisions of this section and applicable regulations. This calculated rate cannot be more than the rate in effect as of June 30, 2019 and cannot be more than two per cent lower than the rate in effect on June 30, 2019, unless the facility has an occupancy level of less than seventy per cent or less, as reported in the 2018 cost report, or an overall rating on the Medicare's Nursing Home Compare Internet web site of one star on June 1, 2019, adjusted for a rate add-on to reflect the November 1, 2018 rate increase defined previously. Effective July 1, 2019, Medicaid-participating nursing facilities shall receive a 2% rate increase over rebased rate as defined in this paragraph, in addition, the rate shall be adjusted to provide pro rata fair rent increases, which shall include increases for facilities which have undergone a material change in circumstances related to fair rent additions in the cost report year ending September 30, 2019, and not otherwise included in rates issued. Effective October 1, 2020, Medicaid-participating nursing facilities shall receive a 1% rate increase over the rate in effect on September 30, 2020, including, if the commissioner provides, within available appropriations, pro rata fair rent increases, which may, at the discretion of the commissioner, include increases for facilities which have undergone a material change in circumstances related to fair rent additions in the cost report year ending September 30, 2020, and not otherwise included in rates issued. Revenue provided by the 2% and 1% rate increases will be reviewed and reconciled by the department as previously defined in the November 1, 2018 rate increase.

TN # 19-V
 Supersedes
 TN # 18-0032

Approval Date _____

Effective Date 7/01/2019