

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

Inpatient Supplemental Payments to Acute Care Hospitals – Small Hospital Pool (SPA 16-019)

The State of Connecticut Department of Social Services (DSS) proposes to submit the following Medicaid State Plan Amendment to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services.

Changes to Medicaid State Plan

In accordance with the adjustments to the State Fiscal Year 2017 state budget that were recently approved by the General Assembly in Senate Bill 501 of the May 2016 Special Session, effective on or after July 1, 2016, SPA 16-019 will implement supplemental inpatient payments for certain acute care hospitals that meet the specifications detailed in the SPA as eligible for the small hospital pool of inpatient supplemental payments to acute care hospitals.

Fiscal Information

DSS estimates that this SPA will increase annual aggregate expenditures by approximately \$12 million in State Fiscal Year 2017.

Information on Obtaining SPA Language and Submitting Comments

In accordance with federal Medicaid requirements, upon request, DSS will provide copies of the proposed SPA. Copies of the proposed SPA may also be obtained at any DSS field office and on the DSS web site: <http://www.ct.gov/dss>. Go to “Publications” and then “Updates”.

Written, phone, and email requests should be directed to Christopher A. Lavigne, Office of Reimbursement & Certificate of Need, Department of Social Services, 55 Farmington Avenue, Hartford, CT 06105, Phone: 860-424-5719, Fax: 860-424-4812, Email: christopher.lavigne@ct.gov. Please reference: SPA 16-019, Inpatient Supplemental Payments to Acute Care Hospitals – Small Hospital Pool.

Anyone may also send DSS written comments about the SPA. Written comments must be received at the above contact information no later than June 30, 2016.

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

(2a) Supplemental Reimbursement to Small Independent Hospitals for Inpatient Hospital Services.

Supplemental payments to eligible hospitals shall be made from a pool of funds in the amount of \$11.97 million for the state fiscal year ending June 30, 2017. The payments shall be made quarterly in accordance with the following paragraphs:

- (a) Hospitals eligible for supplemental payments under this section are short-term general acute care hospitals that have 180 or fewer licensed beds and are independent and are not affiliated with any other hospital or hospital system that includes two or more hospitals, as defined in item (c). Hospital affiliations shall be based on the Department of Public Health, Office of Health Care Access (OHCA), as documented through its Certificate of Need process.
- (b) Each eligible hospital's share of the supplemental payment pool shall be equal to that hospital's pro rata share of the total Medicaid inpatient revenues of all eligible hospitals in the aggregate as reported in each hospital's Federal Fiscal Year 2014 filing with OHCA.
- (c) A hospital shall become ineligible for supplemental payments beginning with the quarter following either: (i) the closing date of the completion of a merger or formal affiliation (*i.e.*, a formal affiliation in which the hospital controls, is controlled by, or operates under common control, directly or indirectly) with another hospital or hospital system that includes at least one other hospital, as determined based on OHCA's Certificate of Need process or (ii) the effective date of an increase in licensed beds to greater than 180 beds. A hospital that becomes ineligible shall remain ineligible for supplemental payments for calendar quarters after it became ineligible. Any remaining funds due to one or more hospitals becoming ineligible shall not be distributed to any other hospitals.