

NOTICE OF PROPOSED CHANGES TO THE MEDICAID STATE PLAN PERTAINING TO THE REMOVAL OF RATE FREEZE FOR SFY 2013 AND PROPERTY COST REBASING FOR PRIVATE INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

The State Department of Social Services (DSS) proposes to submit an amendment to the Medicaid State Plan to the Federal Centers for Medicare and Medicaid Services (CMS) within the Department of Health and Human Services. The State Plan Amendment (SPA) will eliminate the rate freeze in effect for SFY 2013 and remove property costs related to the discharge of the facility's mortgage from the per diem reimbursement rates for private intermediate care facilities for the developmentally disabled (ICF/MR) effective July 1, 2012.

Based upon the Legislative Budget for the SFY 2012 and SFY 2013 biennium and actions to date by the General Assembly, it is anticipated that the Medicaid State Plan will be amended to implement changes to the reimbursement methodology for private ICF/MRs effective July 1, 2012. While implementing legislation is still being drafted, public notice is required at this time under federal regulations.

Changes to Medicaid State Plan

The Medicaid State Plan will be amended to remove the current rate freeze in effect for the State's private ICF/MR's for SFY 2013. Rates issued effective July 1, 2012 through June 30, 2013 will be rebased using the prospective rate methodology, previously in place before the occurrence of rate freezes. Additionally, the prospective per diem rates will be decreased to reflect lower property costs due to the discharge of the facilities mortgages.

Fiscal Information – Estimated Annual Change to Medicaid Expenditures

The impact of proposed changes in SFY 2013 would be a cost savings of \$7.27 million for property cost reductions and additional costs of \$3.12 million for eliminating the rate freeze, netting a total cost savings of \$4.15 million.

Additional Information

In accordance with federal requirements governing the Medicaid program, the department will provide upon request copies of the proposed amendment to the Medicaid State Plan. In addition, copies of the proposed amendment may be obtained at each of the DSS regional offices and on the DSS web site: www.dss.state.ct.us. Go to "Publications" and then to "Updates".

Written, phone, and e-mail requests should be directed to Christopher LaVigne, Office of Certificate of Need and Rate Setting, Department of Social Services, 25 Sigourney Street, Hartford, CT 06106-5033 (Phone: 860-424-5719, Fax: 860-424-4812, E-mail: Christopher.Lavigne@ct.gov). Written comments may be submitted by June 15, 2012.

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would have been issued a lower rate effective October 1, 2005, than for the fiscal year ending June 30, 2005, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2005. For the fiscal year ending June 30, 2007, rates in effect for the period ending June 30, 2006, shall remain in effect until September 30, 2006, except any facility that would have been issued a lower rate effective July 1, 2006, than for the fiscal year ending June 30, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006. Effective October 1, 2006, no facility shall receive a rate that is more than three per cent greater than the rate in effect for the facility on September 30, 2006, except for any facility that would have been issued a lower rate effective October 1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006. For fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except for any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008 shall remain in effect until June 30, 2009, except for any facility that would have been issued a lower rate effective July 1, 2008, than for the rate period ending June 30, 2008, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2008. For the fiscal years ending June 30, 2010, June 30, 2011 and June 30, 2012, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2012, except (A) any facility that would have been issued a lower rate for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012 or June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate, and (B) any facility that has a significant decrease in land and building costs shall receive a reduced rate to reflect the reduction in land and building costs. Notwithstanding the provisions of this section, for the fiscal year ending June 30, 2012, the Commissioner of Social Services shall, within available appropriations, provide each facility a rate increase six and eighty-five hundredths of a per cent greater than the rate in effect for the period ending June 30, 2011. Notwithstanding the provisions of this section, for the fiscal year ending June 30, 2013, the Commissioner of Social Services shall within available appropriations, provide each facility a rate increase two per cent greater than the rate in effect for the period ending June 30, 2012.

TN # 12-020

Supersedes

TN # 11-011-A Approval Date _____

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