

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

Inpatient Reimbursement to Acute Care Hospitals (SPA 16-001)

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

Effective on or after January 1, 2016, SPA 16-001 will amend Attachment 4.19-A of the Medicaid State Plan to reflect an update in the software used to calculate reimbursement for inpatient hospital services. The Department is updating from version 31 to version 33 of the 3M All Patient Refined Diagnosis Related Group (APR-DRG) software. This change is necessary to coordinate inpatient hospital reimbursement with the federally required transition to International Classification of Diseases, 10th Revision (ICD-10) Code Sets.

Fiscal Information

The fiscal impact of this SPA has not yet been determined, but the Department expects that any potential change in aggregate expenditures will be minimal.

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 to “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 16-001, Inpatient Reimbursement to Acute Care Hospitals. Written comments may be submitted in the same manner as requests no later than December 24, 2015.

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

Methods and Standards for Establishing Payment Rates - Inpatient Hospital Care

(1) Inpatient Hospital Services - DRG Payment Methodology

Effective for admissions on or after January 1, 2015, the DRG reimbursement methodology described in this section applies to all discharges except for psychiatric and rehabilitation services, which will be reimbursed on a per diem basis. The hospital must submit a prior authorization request to the Department of Social Services or its agent for all such inpatient hospital services to qualify for per diem reimbursement. If the department approves such prior authorization request, the discharge shall be reimbursed using the applicable per diem rate established by the department.

Services provided in the emergency room, observation area, or other outpatient departments that are directly followed by an inpatient admission to the same hospital are not reimbursed separately.

For the purposes of this section, "Discharge" means any patient who was discharged at a date subsequent to the date admitted to the hospital for treatment as an inpatient, except that it shall also mean such patient admitted and discharged on the same day where such patient:

1. died,
2. left against medical advice, or
3. where a one day stay has been deemed appropriate subject to utilization review.

A. DRG Payment

The Department shall pay for hospital inpatient services on a fully prospective per discharge basis using DRG-based discharge payments. Diagnosis related groups will be assigned using the All Patient Refined Diagnosis Related Grouper (APR-DRG) version 33. Payments are capped at the amount of charges.

1. The DRG discharge payment is comprised of the DRG base payment plus any outlier payment that may be made when the charges for the stay exceed the outlier threshold. (See detailed description of outlier payment methodology below.)
2. The DRG base payment is calculated by multiplying the hospital-specific base rate by the DRG relative weight. (See base rate table below.)
3. The DRG relative weights are 3M APR-DRG version 33 National Weights.