

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 21-AP: Pediatric Inpatient Psychiatric Services

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 December 1, 2021 and ending on December 31, 2023, this SPA will amend Attachment 4.19-A of the Medicaid State Plan in order to make the following changes to reimbursement for pediatric inpatient psychiatric services.

First, this SPA will implement an interim voluntary value-based payment (VBP) for increasing bed capacity and utilization that consists of a rate add-on to the applicable per diem rate. Each eligible hospital that increases its daily average number of pediatric inpatient psychiatric beds paid by Medicaid for dates of service in each calendar quarter by at least 10% or at least 2 beds, whichever is greater, compared to the daily average number of beds paid by Medicaid for dates of service in the same calendar quarter in calendar year 2019, may be eligible for this add-on. Each eligible hospital must also provide the state with documentation of current and future certification of beds including the effective date of expansion/increased bed capacity, real-time bed tracking, conduct post-discharge follow-up, participate in the state's care transition and suicide prevention initiatives, and provide additional data reporting to the state. The add-on will apply to all Medicaid pediatric inpatient psychiatric bed days paid at the per diem rate, including the newly expanded days. For each eligible in-state non-governmental short-term general hospital that is currently paid in the first or second tier of the three tiered inpatient psychiatric per diem rate system, the add-on will be equivalent to transition to the current highest tier, which will then increase by 2% each January 1st to align with the same annual increase in the underlying psychiatric per diem rate for such hospitals as set forth in the approved Medicaid State Plan and in accordance with the state's 2019 settlement agreement with such hospitals. For each eligible in-state psychiatric hospital, the rate add-on will be equivalent to transition to the highest rate in the three-tiered system in effect during calendar year 2021. For each eligible in-state children's general and governmental short-term general hospital, the rate add-on will be equivalent to transition to the highest rate in the three-tiered system not incorporating any increases due to the 2019 settlement agreement with in-state non-governmental short-term general hospitals. A hospital that currently receives the highest inpatient psychiatric rate or a chronic disease hospital will receive a 10% rate add-on.

Second, this SPA will implement an interim acuity-based add-on to the applicable per diem rate. Each eligible hospital will be paid a 10% rate add-on to the hospital's inpatient psychiatric per diem rate in addition to the first rate add-on described above, if applicable, for the pediatric inpatient psychiatric bed days provided to each child whose behavior demonstrates acuity that requires additional support on the inpatient unit and is sufficiently acute that it interferes with the therapeutic participation or milieu on the

inpatient unit of the child or other children based on the condition of the child. To receive this add-on, the state or its agent must approve the hospital's prior authorization request for this add-on which must include the hospital's documentation that the specified bed days meet the requirements of this paragraph.

Third, this SPA will revise the medically necessary discharge delay policy. Due to current high demand for inpatient services in conjunction with decreased capacity for non-inpatient services, the hospital will be paid the full applicable per diem rate, not the discharge delay rate, when the individual no longer needs to remain in the inpatient setting but the state or the behavioral health administrative services organization (ASO) confirms as part of the inpatient authorization or concurrent review process that: the hospital has made and continues to make every attempt to secure the appropriate discharge plan that best meets the individual's needs; the discharge plan is appropriate, but cannot be implemented for the applicable dates of service due to lack of availability of services that are appropriate for the individual's discharge plan; and that active treatment is occurring in the hospital that is based on the individual's needs and meets medical necessity. If the hospital does not meet all of those conditions, however, the hospital may still be eligible for the applicable medically necessary discharge delay rate to the extent that it complies with the current requirements for receiving such rate, in accordance with the current provisions in the approved Medicaid State Plan.

The purpose of these voluntary value-based payment opportunities is to help address the unmet need for pediatric inpatient psychiatric services and improve the quality of such services.

Fiscal Impact

DSS estimates that this SPA will increase annual aggregate expenditures by approximately \$5.7 million in State Fiscal Year (SFY) 2022 and \$17.5 million in SFY 2023.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/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 21-AP: Pediatric Inpatient Psychiatric Services".

Anyone may send DSS written comments about the SPA. Written comments must be received by DSS at the above contact information no later than December 15, 2021.

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

Pediatric Inpatient Psychiatric Services: Interim Rate-Add-Ons and Change to Medically Necessary Discharge Delay Reimbursement Methodology

Effective only for dates of service from December 1, 2021 through December 31, 2023, each applicable in-state psychiatric hospital and each of the following in-state hospitals with a pediatric inpatient psychiatric unit: short-term general hospitals, children's short-term general hospitals, and chronic disease hospitals (except that a chronic disease hospital is eligible either if it has a pediatric inpatient psychiatric unit or if it has a dedicated unit for providing specialized behavioral health services to children, including autism spectrum disorder services) will be eligible for one or both of the following rate add-ons or change in reimbursement policy, as applicable and as set forth below for applicable pediatric inpatient psychiatric bed days. General hospitals and chronic disease hospitals are reimbursed for pediatric inpatient psychiatric services under the inpatient hospital benefit category set forth in section 1905(a)(1) of the Social Security Act. Psychiatric hospitals are reimbursed for pediatric inpatient psychiatric services under the inpatient psychiatric services for individuals under age 21 set forth in section 1905(a)(16) of the Social Security Act.

1. **Rate Add-On for Increasing Access:** Effective for dates of service from December 1, 2021 through December 31, 2023, each eligible hospital that increases the hospital's daily average number of pediatric inpatient psychiatric beds paid by Medicaid for dates of service in each calendar quarter by 10% (rounded to the nearest whole number) or at least 2 beds, whichever is greater, compared to the daily average number of beds paid by Medicaid for dates of service in the same calendar quarter in calendar year 2019 and complies with the other requirements set forth below may be eligible for this add-on. The hospital must also provide the state with real-time bed tracking, conduct post-discharge follow-up with each family, participate in the state's care transition and suicide prevention initiatives, and provide enhanced data reporting to the state. This rate add-on will be paid for all pediatric inpatient psychiatric bed days for each calendar quarter (including medically necessary discharge delay days) in which the hospital meets all of those requirements.

The amount of this rate add-on is as follows:

- a. For each eligible in-state non-governmental short-term general hospital that is currently paid in the first or second tier of the three tiered inpatient psychiatric per diem rate system, the add-on will be equivalent to transition to the current highest tier which will then increase by 2% each January 1st. This rate, incorporating the add-on, is as follows: calendar year 2021: \$1,170.45; calendar year 2022: \$1,193.86; calendar year 2023: \$1,217.74

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- b. For each eligible in-state children's general and governmental short-term general hospital, the rate add-on will be equivalent to transition to the highest rate in the three-tiered system not incorporating any increases due to the 2019 settlement agreement with in-state non-governmental short-term general hospitals. This rate, incorporating the add-on, is \$1,125.00.
 - c. A hospital that currently receives the highest inpatient psychiatric rate or a chronic disease hospital will receive a 10% rate add-on to the applicable rate.
 - d. For each eligible in-state psychiatric hospital, the rate add-on will be equivalent to transition to the highest rate in the three-tiered system during calendar year 2021. This rate, incorporating the add-on, is \$1,170.45.
2. Rate Add-On for High Acuity: Effective for dates of service from December 1, 2021 through December 31, 2023, each eligible hospital will be paid a 10% rate add-on to the hospital's inpatient psychiatric per diem rate (in addition to the rate add-on under 1. above, if applicable) for the pediatric inpatient psychiatric bed days provided to each child whose behavior demonstrates acuity that requires additional support on the inpatient unit and is sufficiently acute that it interferes with the therapeutic participation or milieu on the inpatient unit of the child or other children based on the condition of the child. To receive this add-on, the state or its agent must approve the hospital's prior authorization request for this add-on which must include the hospital's documentation that the specified bed days meet the requirements of this paragraph.
3. Modification to Applicability of Medically Necessary Discharge Delay Rates: Effective for dates of service from December 1, 2021 through December 31, 2023, due to current high demand for inpatient services in conjunction with decreased capacity for non-inpatient services, the hospital will be paid the full applicable per diem rate, not the medically necessary discharge delay rate for applicable bed days when the individual no longer needs to remain in the inpatient setting but the state or its agent confirms as part of the authorization or concurrent review process that: the hospital has made and continues to make every attempt to secure the appropriate discharge plan that best meets the individual's needs; the discharge plan is appropriate but cannot be implemented for the applicable dates of service due to lack of availability of community-based services that are appropriate for the individual's discharge plan; and that active treatment is occurring in the hospital that is based on the individual's needs and meets medical necessity.

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