

**STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES**

Notice of Proposed Medicaid State Plan Amendment (SPA)

**SPA 25-AB: Private Intermediate Care Facilities for Individuals with Intellectual Disabilities
(ICF/IID) Supplemental Payment**

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 from June 16 through June 30, 2025, DSS will make a one-time supplemental payment to each eligible privately operated Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) for the lifting of the direct care cap for services rendered in fiscal year 2025. The supplemental payment will only be issued within available appropriations. Funding for each facility's payment will be calculated based on the difference in the issued fiscal year 2025 per diem rate with the direct care cap applied and the per diem with the direct care cap removed. The difference between the per diem with the direct care cap and without the direct care cap will be multiplied by the total number of reported Medicaid days in the facility's 2024 annual report for the final one-time supplemental payment amount. Only facilities that were limited in their direct care caps will be eligible for the payment. The minimum per diem rate of \$501 remains in place and if the direct care cap limitation did not exceed the per diem rate of \$501, there will be no supplemental payment issued.

The purpose of this SPA is to provide the supplemental funds for the direct care cost coverage that was limited in the calculated fiscal year 2025 issued rates.

DSS is currently analyzing the projected Upper Payment Limit (UPL) demonstration for SFY 2025. In general, the UPL is a federally required limit on Medicaid payment, which is a calculated amount using federally specified Medicare cost principles, above which Medicaid federal financial participation (FFP) is not available. Depending on the specific results of the UPL demonstration, one or more portions of this SPA may be modified or removed to the extent necessary to ensure that Medicaid payments to ICF/IIDs remain within the UPL.

Fiscal Impact

This SPA will increase annual aggregate Medicaid expenditures by approximately \$2,675,000 in State Fiscal Year (SFY) 2025.

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. Please reference: “SPA 25-AB: Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Supplemental Payment.”

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 20, 2025**.

**State Plan under Title XIX of the Social Security Act
State: Connecticut
Methods for Establishing Payment Rates – Intermediate Care Facilities for
Individuals with Intellectual Disabilities (ICF/IID)**

For the fiscal year ending June 30, 2024, rates shall be based upon 2022 cost report filings, adjusted to reflect any rate increases provided after the cost report year ending June 30, 2022, and with the addition of a two percent adjustment factor and a private provider COLA of 2.55%. No facility shall receive a rate less than the rate in effect for the fiscal year ending June 30, 2023. There shall be no increase to rates based on any inflationary factor for the fiscal year ending June 30, 2024.

For the fiscal year ending June 30, 2024, the minimum per diem, per bed rate shall remain \$501 including all applicable adjustments.

For the fiscal year ending June 30, 2024 and each subsequent fiscal year, the commissioner has the ability to provide pro rata fair rent increases to facilities that have documented fair rent additions placed in service in the cost report years that are not otherwise included in rates issued.

For the fiscal year ending June 30, 2025, rates shall be based upon 2023 cost report filings, adjusted to reflect any rate increases provided after the cost report year ending June 30, 2023. A facility may receive a rate increase that is less than the rate in effect for the fiscal year ending June 30, 2024. There shall be no increase to rates based on any inflationary factor for the fiscal year ending June 30, 2025.

For the fiscal year ending June 30, 2025, the minimum per diem, per bed rate shall remain at \$501 including all applicable adjustments.

For the period of June 16, 2025 through June 30, 2025, the department shall make a one-time supplemental payment to each eligible privately operated ICF/IID for the lifting of the direct care cap for services rendered in fiscal year 2025. The supplemental payment will be issued if within available appropriations. Funding for each facility's payment will be calculated based on the difference in the issued fiscal year 2025 per diem rate with the direct care cap applied and the per diem with the direct care cap removed. The difference will be multiplied by the total number of reported Medicaid days in the facility's 2024 annual report for the final one-time supplemental payment amount. Only facilities that were limited in their direct care caps will be eligible for the payment. The minimum per diem rate of \$501 remains in place and if the direct care cap limitation did not exceed the per diem rate of \$501, there will be no supplemental payment issued.

TN # 25-AB
Supersedes
TN # 24-0019

Approval Date _____

Effective Date 06/16/2025