

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 18-N: Private Psychiatric Hospital Pay-for-Performance Program for Services Provided to Children

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 February 1, 2018, as described below, SPA 18-N will amend Attachment 4.19-A of the Medicaid State Plan to implement a pay-for-performance program for inpatient hospital services provided to children under age twenty-one at any private psychiatric hospital in Connecticut, which is currently only Natchaug Hospital (the "hospital"). The performance year for year 1 includes dates of service from February 1, 2018 through December 31, 2018 and year 2 includes dates of services from January 1, 2019 through December 31, 2019.

Specifically, payments would be paid out on a schedule set forth in the SPA based on the hospital's performance on specified performance metrics. The performance metrics include:

1. Average Length of Stay (ALOS).
2. Re-Admission to any hospital for psychiatric reasons within seven days of discharge from the hospital.
3. Re-Admission to any hospital for psychiatric reasons within thirty days of discharge from the hospital.
4. Connect to Next Lower Level of Care (CTC): within seven days of discharge from the hospital.
5. Connect to Next Lower Level of Care (CTC): within thirty days of discharge from the hospital.
6. Patient Satisfaction: The hospital must implement a patient satisfaction survey under this model using a standardized patient survey instrument.

The hospital must meet the performance metrics thresholds outlined in the SPA in order to receive the payment. Outlier lengths of stay will be excluded in accordance with the methodology detailed in the SPA. There are two types of outcome thresholds, both of which are detailed in the SPA: (1) outcomes to receive 100% of the quarterly performance payment and (2) outcome measures to receive 50% of the quarterly performance payment. If the hospital does not meet the 50% threshold for any outcome measure, no payment is awarded for that measure. Any balance based on not meeting performance measures will not be distributed.

Fiscal Impact

DSS estimates that this SPA will increase aggregate expenditures (state and federal share combined) by up to \$500,000 annually for each of the two performance years described above, although the timing of certain payments will occur after the performance year in order to enable measurement of available data during each applicable performance period.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site at the following link: <http://portal.ct.gov/dss>. Scroll down to the bottom of the webpage and click on “Publications” and then click on “Updates.” Then click on “Medicaid State Plan Amendments”. The proposed SPA may also be obtained at any DSS field office, at 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 18-N: Private Psychiatric Hospital Pay for Performance Program for Services Provided to Children”.

Anyone may send DSS written comments about the SPA. Written comments must be received by DSS at the above contact information no later than January 26, 2018.

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

(4) Supplemental Payments for Quality Performance for Private Psychiatric Hospitals for Individuals under 22 and over 64 years of age

Effective February 1, 2018, a pay-for-performance program for inpatient hospital services provided to children under age twenty-one at any private psychiatric hospital in Connecticut, which is currently only Natchaug Hospital (the “hospital”). The performance year for year 1 includes dates of service from February 1, 2018 through December 31, 2018 and year 2 includes dates of services from January 1, 2019 through December 31, 2019.

Payments of up to \$500,000 for each performance year will be paid out based on the hospital’s performance on specified performance metrics detailed below. In order to ensure adequate claims data is available, payments will be made at least six months after the relevant performance period has completed. Payments will be made on a monthly basis six months after each of the first two months of year 1. Thereafter, payments will be made on a quarterly basis at least six months after the close of each quarter.

The performance metrics include:

7. Average Length of Stay (ALOS).
8. Re-Admission to any hospital for psychiatric reasons within seven days of discharge from the hospital.
9. Re-Admission to any hospital for psychiatric reasons within thirty days of discharge from the hospital.
10. Connect to Next Lower Level of Care (CTC): within seven days of discharge from the hospital. CTC means the Medicaid member is admitted to a Medicaid covered level of care that is not an acute level of care and received a Medicaid service and the applicable provider submitted a claim for that service.
11. Connect to Next Lower Level of Care (CTC): within thirty days of discharge from the hospital.
12. Patient Satisfaction: The hospital must implement a patient satisfaction survey under this model using a standardized patient survey instrument.

The hospital must meet the performance metrics thresholds in Table 1 and 2 below in order to receive the payment. Outlier lengths of stay will be excluded based if they are more than two standard deviations away (greater or lesser) from the mean length of stay. There are two types of outcome thresholds: (1) outcomes to receive 100% of the quarterly performance payment and (2) outcome measures to receive 50% of the quarterly performance payment. If the hospital does not meet the 50% threshold for any outcome measure, no payment is awarded for that measure. Any balance based on not meeting performance measures will not be distributed. Performance metrics and minimum benchmarks will be reviewed annually and may be revised.

Table 1. Performance Metrics- Year 1: February 1, 2018 – December 31, 2018

	ALOS	Re-Admit – 7	Re-Admit – 30	CTC – 7	CTC – 30	Patient Satisfaction
Payment %	20%	20%	20%	20%	20%	0%
Natchaug-Current*	10.94	5.10%	14.40%	46%	61.80%	N/A
100% Payment	<10.50	<4.50%	<13.75%	>55%	>65%	Establish Baseline for Year 1
50% Payment	<10.75	<5.00%	<14.00%	>50%	>63%	Establish Baseline for Year 1

TN# 18-N
Supersedes
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Approval Date _____

Effective Date: 02-01-2018

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

Table 2. Performance Metrics- Year 2: January 1, 2019 – December 31, 2019

	ALOS	Re-Admit – 7	Re-Admit – 30	CTC – 7	CTC – 30	Patient Satisfaction
Payment %	18%	18%	18%	18%	18%	10%
Natchaug-Current*	10.94	5.10%	14.40%	46%	61.80%	TBD**
100% Payment	<10.50	<4.50%	<13.75%	>55%	>65%	TBD**
50% Payment	<10.75	<5.00%	<14.00%	>50%	>63%	TBD**

* Current metrics are listed for reference only and were determined based on data available based on claims processed by the state as of December 2017.

** Because the baseline for the patient satisfaction survey is being developed based on year 1 performance, the metrics for patient satisfaction will be developed by the state and included in a SPA with a January 1, 2019 effective date.