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Effective Date: June 1, 2021
Contact: William.Halsey@ct.gov

TO: Connecticut General Hospitals, Private Psychiatric Hospitals, Chronic Disease Hospitals, Children's General Hospitals

RE: Pediatric Inpatient Psychiatric Services

Effective for the dates of service indicated below, the Department of Social Services (DSS) will implement the following two interim rate add-on policies through a Coronavirus Disease 2019 (COVID-19) Disaster Relief Medicaid State Plan Amendment (SPA) in order to expedite the implementation of these policies and to help address the unmet need for pediatric inpatient psychiatric services that has significantly worsened due to COVID-19. Federal rules allow a disaster relief SPA to be in effect no longer than the end of the federal public health emergency (PHE). If the federal COVID-19 PHE ends prior to June 30, 2022, the Department plans to submit a standard SPA at the end of the federal PHE to sustain these payment policies through June 30, 2022.

1. Interim Rate Add-On for Increasing Needed Capacity

Effective for dates of service from June 1, 2021 through June 30, 2022, Connecticut hospitals may be eligible for a rate add-on to the per diem rate based on their ability to:

- 1) **Increase** actual bed capacity and utilization for pediatric inpatient psychiatric services (individuals under the age of 18), and
- 2) Comply with the increased requirements detailed below that are designed to improve the quality of care over the long term.

Eligible Hospitals

Under the following criteria, this add-on is potentially available to each of the following categories of Connecticut in-state hospitals

that provides (with all required authorization and qualifications) pediatric inpatient psychiatric services and bills Medicaid using a per diem rate for such services:

- licensed short-term general hospital with a pediatric inpatient psychiatric unit;
- licensed short-term children's general hospital with a pediatric inpatient psychiatric unit;
- private psychiatric hospital; and
- chronic disease hospital with a pediatric inpatient psychiatric unit.

Requirements

This rate add-on is available only if, on an ongoing basis, the hospital successfully demonstrates full compliance with all of the following, as determined by DSS or its behavioral health administrative services organization (ASO):

- **Request Process**: Submit a written request to DSS or its behavioral health ASO, signed by an authorized official of the hospital, seeking to receive this interim rate add-on for increasing needed capacity, in a form and manner specified by DSS or its behavioral health ASO and which includes information needed to verify compliance with all of the requirements below, including qualifications and authorization to provide pediatric inpatient psychiatric services;
- **Certification of Beds**: Provide certification of current total pediatric inpatient psychiatric bed capacity, future total bed capacity and effective date of expanded/increased bed capacity in a format specified by DSS or its behavioral health ASO;

- Minimum Increase in Beds: Increase 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, except that for June 2021, the daily average number of pediatric inpatient psychiatric beds paid by Medicaid will be compared to June 2019;
- Compliance: All beds must conform to all applicable state licensing and Certificate of Need (e.g., section 19a-638 of the Connecticut General Statutes) requirements;
- Bed Tracking: Participate in the daily bed tracking process at the behavioral health ASO that includes total potential beds available, total beds occupied by other payers, total beds occupied by Medicaid members, and total beds available;
- Post-Discharge Follow-Up: Make and document post-discharge telephone calls to each family to assess stability of the child not later than 30 days after discharge;
- Comprehensive Services: Provide comprehensive psychiatric services, per state licensing and other applicable accreditation and certification standards, to each child in a deemed psychiatric inpatient bed;
- Quality and Care Transitions: Participate in the state's initiatives to improve the quality and timeliness of care transitions to facilitate individuals' transitions to lower levels of care, in collaboration with other providers, the members, and the members' families and other caregivers; and
- Participate in the Zero Suicide Learning Community.

Applicable Bed Days

If a hospital meets all of the criteria above, the rate add-on will be implemented for all CMAP pediatric inpatient psychiatric bed days that are paid as a per diem rate in accordance with existing rules and procedures for each applicable period in which the hospital meets all requirements, including the newly expanded pediatric inpatient psychiatric bed days, not only the beds that represent the expansion beds beyond historic utilization.

Effective Dates

The rate add-on eligibility start date will be the first day of the calendar quarter beginning on or after the effective date of the expanded bed capacity on the hospital certification form and state's approval for the hospital to participate in this rate add-on, except that the start date will be June 1, 2021 for hospitals approved for participation on or before May 31, 2021. The rate add-on will end June 30, 2022.

Reconciliation to Actual Utilization

The rate add-on will initially be paid for claims with dates of service beginning on the effective date described above. DSS will analyze Medicaid paid claims for dates of service in each calendar quarter that were paid within three months after the close of the quarter to determine if the hospital met the minimum requirement for increased bed days detailed above. For June 2021, DSS will analyze paid claims for those dates of service that were paid on or before September 30, 2021. Hospitals are strongly encouraged to **bill as promptly as possible** to ensure that as many claims as possible have been billed and paid within that timeframe.

If paid claims for a calendar quarter (or June 2021) meet the minimum bed day increase, no action will be taken. **If paid claims for a calendar quarter (or June 2021) do not meet**

the minimum bed day increase in the timeframe set forth above, then DSS will recoup the add-on that was paid for that period.

Rate Add-On Amount

The rate add-on will be based on the current psychiatric inpatient rate in place for each hospital. Each eligible hospital that is currently paid in the first or second tier of the three-tiered pediatric inpatient psychiatric per diem rate system will receive an add-on equivalent to transition to the next higher rate in the three-tiered per diem rate payment system. A hospital that currently receives the highest inpatient psychiatric rate or a hospital that is not currently paid using the three-tiered pediatric inpatient psychiatric per diem system will receive a 10% rate add-on to the applicable rate. The rate add-on also applies to the medically necessary discharge delay per diem rate.

2. Interim Rate Add-On for Acuity

Effective for dates of service from July 1, 2021 through June 30, 2022, the following hospitals that bill using the per diem rate for such services and psychiatric hospitals may be eligible for an acuity-based rate add-on to the applicable per diem rate if authorized by the behavioral health ASO in accordance with the standards set forth below:

- licensed short-term general hospital with a pediatric inpatient psychiatric unit;
- licensed short-term children's general hospital with a pediatric inpatient psychiatric unit;
- private psychiatric hospital; and
- chronic disease hospital with a pediatric inpatient psychiatric unit.

The acuity-based rate add-on may be paid in addition to the bed capacity increase rate add-on referenced above, but is not dependent on expansion, if the hospital and bed days, as applicable, meet the requirements for both add-

ons. In order for the hospital to request this add-on, a child must exhibit behavior demonstrating acuity that requires additional support or staffing on the inpatient unit. The condition and behavior must also be sufficiently acute that it interferes with the therapeutic participation of the child or of other children on the inpatient unit or negatively impacts the milieu of the unit. The hospital must submit a request for each such add-on on a per-child basis as part of the prior authorization request for the admission, with sufficient information and documentation included in the request, in a form specified by DSS or its ASO, that the behavioral health ASO is able to determine whether or not to authorize the acuity-based add-on as part of the prior authorization for the admission.

If authorized by the behavioral health ASO, the hospital will add Revenue Center Code (RCC) 169 to the claim of the child and the acuity-based rate add-on will increase the per diem rate of 10% for the specific patient bed days for which the add-on was authorized. The acuity-based rate add-on is not applicable to the medically necessary discharge delay per diem rate. This is not a diagnosis-based rate add-on; however, the following conditions and/or behaviors are provided as examples of conditions that may warrant a rate add-on if the child's condition meets the standard for acuity detailed above:

- Severe problem sexual behavior, such that the child may endanger the welfare of another child on the unit;
- Severe aggression, such that the child may pose a risk to himself/herself, the staff or the other children;
- Severe risk of self-harm, including recent history of lethal suicide attempts;
- Eating disorder, such that advanced medical and behavioral health services are required; or
- Physical and/or intellectual disability and/or autism spectrum disorder such that

the disability inhibits or negatively impacts participation in therapeutic services.

3. Proposed Future Value-Based Payment Model

Effective for dates of service on and after July 1, 2022, all short-term general hospitals, short-term children's general hospitals, private psychiatric hospitals, and chronic disease hospitals in Connecticut that provide pediatric inpatient psychiatric services may voluntarily choose to participate in the value-based payment (VBP) program, which is currently under development.

Hospitals that provide pediatric inpatient psychiatric services that were not able to increase bed capacity under the above-referenced initial phase may still be eligible to seek to participate in the VBP program, in accordance with all applicable requirements, which are also under development.

Hospitals that do not elect to participate in the VBP are not eligible for the VBP rate methodology.

Posting Instructions:

Policy transmittals can be downloaded from the Connecticut Medical Assistance Program Web site at www.ctdssmap.com.

Distribution:

This policy transmittal is being distributed to providers of the Connecticut Medical Assistance Program by Gainwell Technologies.

Responsible Unit:

DSS, Division of Health Services, Behavioral Health, William.Halsey@ct.gov.

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