Connecticut Medical Assistance Program
Policy Transmittal 2024-32

Provider Bulletin 2024-69
December 2024

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Effective Date: January 1, 2025
Contact: See Below

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

RE: Pediatric Inpatient Psychiatric Services: Interim Voluntary Value-Based Payment Opportunity for Increasing Needed Capacity and Interim Rate Add-On for Acuity and Revised Discharge Delay Policy

12/1/2024 UPDATED text in red.

Except as otherwise specifically noted below, this Provider Bulletin supersedes Provider Bulletin 2023-63, which is end-dated as of December 31, 2024.

Effective for the dates of service indicated below, the Department of Social Services (DSS) will implement the following two voluntary value-based payment (VBP) opportunities to help address the unmet need for pediatric inpatient psychiatric services and improve the quality of such services.

1. Interim Voluntary VBP for Increasing Needed Capacity

Effective for dates of service from December 1, 2021, through December 31, 2026, the following categories of Connecticut hospitals may be eligible for a VBP that includes 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 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 the following categories of Connecticut in-state hospitals that provide (with all required authorization and qualifications) pediatric inpatient psychiatric services and bill Connecticut's Medicaid program and Children's Health Insurance Program (CHIP), collectively, the Connecticut Medical Assistance Program (CMAP), 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 or a dedicated unit for providing specialized behavioral health services to children, including autism spectrum disorder services.

This rate add-on is also potentially available to border hospitals in accordance with the same conditions as in-state hospitals and that also meet all of the following parameters:

- licensed short-term general hospital with a pediatric inpatient psychiatric unit or a private psychiatric hospital;

- located no more than 10 miles from the Connecticut border; and
- has no fewer than 50 episodes of pediatric inpatient psychiatric services paid by Connecticut Medicaid each calendar year beginning in 2019 and continuing on an ongoing basis.

Requirements

This rate add-on is available only if, on an ongoing basis, the hospital successfully maintains and demonstrates full compliance with all of the following requirements, 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. If DSS approves this request, the Department will issue a letter to the hospital confirming the terms of its participation and the applicable amount of the rate add-on;
- 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: At a minimum, increase the hospital's daily average number of pediatric inpatient psychiatric beds actually paid by Connecticut 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 Connecticut Medicaid for dates of service in the same calendar quarter in calendar year 2019, using the methodology detailed below. If a hospital's effective date of eligibility for this rate add-on is not the first day of a calendar quarter, then the calculation of minimum increase in bed days is the daily average number of pediatric inpatient psychiatric beds actually paid by Connecticut Medicaid from the effective date through the end of the calendar quarter but is still compared to the average daily average number of beds paid by Connecticut Medicaid for dates of service in the same calendar quarter in calendar year 2019;
- Licensing and Certificate of Need (CON) Compliance: All beds must conform to all applicable state licensing and CON (e.g., section 19a-638 of the Connecticut General Statutes) requirements;
- Bed Tracking: Participate in the daily bed tracking process through the relevant state agencies or at the behavioral health ASO that includes total potential beds available (licensed beds), total beds that are staffed, total beds occupied by other payers, and total beds occupied by Medicaid members;
- Post-Discharge Follow-Up: Make and document post-discharge telephone calls to each family to assess stability of the child not later than 7 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, except for a chronic disease hospital providing behavioral health services as set forth above, in which case such services need to comply with all applicable requirements and be sufficient to ensure the clinical effectiveness of such services;
- Quality and Care Transitions: As directed by DSS, 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;
- Suicide Prevention: Participate in the Zero Suicide Learning Community; and
- Additional Data Reporting: Provide additional data reporting on an ongoing or periodic basis related to pediatric inpatient psychiatric services to the behavioral health ASO or state agencies, as directed by DSS.

Applicable Bed Days

If a hospital meets all of the criteria above, the rate add-on will be implemented for all of the hospital's 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 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. However, the rate add-on payment is subject to compliance with all requirements, including actual Medicaid utilization for each quarter, as detailed immediately below. The rate add-on will end on December 31, 2026.

Any hospital that was approved by the state on or before November 30, 2021 to participate in the interim rate add-on for increasing capacity set forth in Provider Bulletin (PB) 2021-41 may continue receiving that rate add-on in accordance with PB 2021-41 only through dates of service ending December 31, 2021. Effective January 1, 2022, in order to receive the rate add-on pursuant to the Interim Voluntary VBP for Increasing Needed Capacity set forth in this bulletin, the hospital must comply with this bulletin.

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. 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 meet the minimum bed day increase, no further action will be taken. **If paid claims for a calendar quarter 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.** Notwithstanding the previous sentence, on a case-by-case basis, each hospital may submit a written request to DSS for an extraordinary circumstances' exception to the recoupment for a particular quarter, which must be received by DSS no later than ten (10) days after DSS sends written notice to the hospital of the recoupment for a particular calendar quarter, provided that the request demonstrates all of the following circumstances:
- the hospital has and continues to make every effort to meet the minimum requirement for increased bed days detailed above;
- the hospital was unable to meet the minimum bed day requirement due to extraordinary circumstances beyond the hospital's control and ability to mitigate;

- there is no pattern of the hospital's repeated requests for multiple calendar quarters or repeated inability to maintain the minimum bed day requirement for multiple calendar quarters;
- the hospital demonstrates good faith reasonable measures to meet the minimum bed day requirement in subsequent calendar quarters, including reasonable efforts (including in its procedures, staffing, and physical layout) to mitigate against foreseeable circumstances that may prevent its ability to meet those requirements; and
- the hospital meets other relevant factors that may be considered by DSS, including, but not limited to, on a temporary and occasional basis only, the hospital's demonstration that collectively, all of the hospitals in the same health system as the hospital met the minimum bed requirements across all of the hospitals in such system participating in this voluntary VBP for the same calendar quarter.

Rate Add-On Amount

The rate add-on as part of this voluntary VBP policy will be set as detailed below. Each eligible in-state non-governmental short-term general 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 highest rate in the three-tiered per diem rate payment system, which is $1,170.45 per day during calendar year 2021. For eligible in-state non-governmental short-term general hospitals, this rate add-on will incorporate any periodic increases that apply to the underlying highest rate in the three-tiered per diem rate system, which will be $1,193.86 for calendar year 2022, $1,217.74 for calendar year 2023, $1,242.09 for calendar year 2024, $1,266.93 for calendar year 2025 and $1,292.27 for calendar year 2026. For eligible in-state children's general hospitals and governmental short-term general hospitals and for all eligible border hospitals that meet the parameters set forth above, the rate add-on will be equivalent to transition to the highest rate in the three-tiered per diem rate payment system that was in effect for calendar year 2019, not incorporating any increases due to the state's 2019 settlement agreement with in-state non-governmental short-term general hospitals, which is $1,125.00. For eligible in-state psychiatric hospitals, the rate add-on will be equivalent to transition to the highest rate in the three-tiered per diem rate payment system in effect for calendar year 2021 for in-state non-governmental short-term general hospitals but not incorporating any further increases due to the settlement agreement referenced immediately above, which is $1,170.45. 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. The rate add-on also will be treated as the equivalent of the standard acute day per diem rate for purposes of payment for approved medically necessary discharge delay bed days.

Billing Instructions for Rate Add-on Amount for Acute Care and Children's Hospitals:

If approved by DSS for Acute Care and Children's Hospitals and authorized by Carelon for rate add-on amount in accordance with the standards set forth above, the hospital will need to bill those authorized days with RCC code 160 to receive rate add-on amount.

Private Psychiatric Hospitals should continue to use their current approved RCC codes when billing.

2. Interim Rate Add-On for Acuity

Effective for dates of service from December 1, 2021 through December 31, 2026, the following hospitals that provide pediatric inpatient psychiatric services for individuals

under the age of 18 and bill using the per diem rate for such services and psychiatric hospitals may be eligible for an interim 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 or a dedicated unit for providing specialized behavioral health services to children, including autism spectrum disorder services.

This rate add-on is also potentially available to border hospitals in accordance with the same conditions as in-state hospitals and that also meet all of the following parameters:

- licensed short-term general hospital with a pediatric inpatient psychiatric unit or a private psychiatric hospital;
- located no more than 10 miles from the Connecticut border; and
- has no fewer than 50 episodes of pediatric inpatient psychiatric services paid by Connecticut Medicaid each calendar year beginning in 2019 and continuing on an ongoing basis.

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 by 10% for the specific patient bed days for which the add-on was authorized, which is calculated on the hospital's per diem rate for the date of service, which, if applicable to the hospital, would include the rate add-on for increasing needed capacity set forth above. The acuity-based rate add-on is <u>not</u> applicable to the medically necessary discharge delay bed days (regardless of whether or not such bed days fall into the revised discharge delay policy set forth below). This is not a diagnosis-based rate add-on; however, the following conditions and/or behaviors are provided as <u>examples</u> 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 self, 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.

Note that this rate add-on reflects a continuation of the acuity-based rate add-on that was in effect starting with dates of service on and after July 1, 2021, as set forth in PB 2021-41, although this bulletin includes clarified language.

Billing Instructions for Acuity-Based Rate Add-On for all hospitals:

If authorized by Carelon for an acuity-based rate add-on in accordance with the standards set forth above, the prior authorization will be authorized for the approved days with revenue code/list 2069. The hospital will need to bill those authorized days with RCC code 169 to receive the acuity-based rate add-on.

If the hospital received two (2) authorizations for an inpatient stay, one for acute behavioral health (BH) days not subject to the rate add-on and one authorizing the acuity-based rate add-on, the hospital will need to bill their inpatient claims with one detail with the acute BH room & board RCC for the days authorized only for acute BH days and a second detail with RCC 169 for the days also authorized at the acuity-based add-on rate.

Failure to bill RCC 169 correctly could cause claims to process at an incorrect rate or deny.

3. Revised Discharge Delay Policy

Effective for dates of service from December 1, 2021 until December 31, 2026 unless otherwise notified, the Medically Necessary Discharge Delay policy for pediatric inpatient psychiatric services is revised as detailed below and this revised policy supersedes any provisions in provider bulletin 2012-32 to the extent that any of those provisions are inconsistent with this revised policy. This policy remains applicable only to CMAP members under age 19.

Due to the current demand for acute pediatric inpatient psychiatric services in conjunction with a decreased capacity for community-based behavioral health services, the hospital will be paid the full applicable per diem rate (not the discharge delay rate) when all of the following have been confirmed by the behavioral health ASO on a case-by-case basis as part of the authorization process for each applicable prior authorization or concurrent review request: the hospital has made and continues to make every attempt to secure the appropriate discharge plan that best meets the individual's needs; the ASO confirms that the discharge plan is appropriate, but that plan 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. This authorization process will enable the hospital to bill for all bed days meeting the above requirements using the same revenue center code used to bill the standard psychiatric per diem rate.

The behavioral health ASO will continue to collect reasons for delay to monitor gaps and/or increased capacity needs within the service delivery system; however, it will not result in a reduced rate, so long as the hospital continues to comply with all of the conditions set forth above. If the hospital does not meet all of those conditions, however, then 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. As always, medically necessity continues to apply to all covered services in accordance with the statutory definition of medical necessity, section 17b-259b(a) of the Connecticut General Statutes.

4. Proposed Future Value-Based Payment Model

Effective for dates of service on and after January 1, 2025, all short-term general hospitals, short-term children's general hospitals, private psychiatric hospitals, and chronic disease hospitals in Connecticut and applicable qualifying border hospitals that provide pediatric inpatient psychiatric services may voluntarily choose to participate in an updated value-based payment (VBP) program, which is currently under development and will include various performance measures and other metrics to be determined.

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.

Please refer to provider bulletin 2024-67 "Pediatric Inpatient Psychiatric Services: Implementation of a Voluntary Value Based Payment (VBP) for additional information on VBP.

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 CMAP by Gainwell Technologies.

Responsible Unit:

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