

DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 25-AG: Private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) Reimbursement

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 July 1, 2025 through June 30, 2026, this SPA will amend Attachment 4.19-D of the Medicaid State Plan to make the following changes to the reimbursement methodology for private Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs).

For State Fiscal Year (SFY) 2026, this SPA implements a rebase of facility rates based upon 2024 cost report filings, adjusted to reflect rate increases provided after the cost report year ending June 30, 2024, and with the addition of a one and four tenths per cent increase over the calculated rate. There shall be no increase to rates based on any inflationary factor for the fiscal year ending June 30, 2026.

For SFY 2026, there is no minimum per diem, per bed rate for each private ICF/IID.

For SFY 2026, a facility may receive a rate increase for a capital improvement approved by the Department of Developmental Services, in consultation with DSS, for the health or safety of the residents during SFY 2026, only to the extent such rate increases are within available appropriations.

The purpose of this SPA is to comply with subsection (h) of section 17b-340 of the Connecticut General Statutes, as amended by section 360 of House Bill 7287, “An Act Concerning the State Budget for the Biennium Ending June 30, 2027, and Making Appropriations Therefore, and Provisions Related to Revenue and Other Items Implementing the State Budget”, which has been passed by the state Senate and the state House of Representatives and was recently signed into law by the Governor. Note that the section may be renumbered by one or more amendments and so may be reflected as a different section number in the final public act version of this legislation.

DSS is currently analyzing the projected Upper Payment Limit (UPL) demonstration for SFY 2026. 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 reflect that Medicaid payments to ICF/IIDs remain within the UPL.

Fiscal Impact

Based on the information that is available at this time, DSS anticipates that this SPA will increase annual aggregate Medicaid expenditures by approximately \$2,309,183 in SFY 2025 and \$2,519,109 in SFY 2026.

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 25-AG: Private ICF/IID Reimbursement”.

Anyone may send DSS written comments about this SPA. Written comments must be received by DSS at the above contact information no later than **July 25, 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 fiscal year ending June 30, 2026, rates shall be based upon 2024 cost report filings, adjusted to reflect any rate increases provided after the cost report ending June 30, 2024, and with the addition of a one and four tenths percent increase over the calculated rate. A facility may receive a rate that is less than the rate in effect for the fiscal year ending June 30, 2025. There shall be no increase to rates based on any inflationary factor for the fiscal year ending June 30, 2026.

For the fiscal year ending June 30, 2026, there shall be no minimum per diem, per bed rate.

TN # 25-AG
Supersedes
TN # 24-0019

Approval Date _____

Effective Date 07/01/2025