

**STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES**

Notice of Proposed Medicaid State Plan Amendment (SPA)

**SPA 25-AM: Non-Governmental Independent Financially Distressed Hospitals –
Outpatient 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). Public comment information is at the bottom of this document.

Proposed Changes to Medicaid State Plan

Effective on or after July 1, 2025, this SPA will amend Attachment 4.19-B of the Medicaid State Plan to provide for outpatient supplemental payments to non-governmental independent licensed short-term general hospitals that are financially distressed, defined as having total margins of -10% or less in FFY 2023. DSS anticipates that the funding will support continued access and quality for these services.

Estimated Fiscal Impact

DSS estimates that this will increase annual aggregate expenditures by approximately \$14,000,000 in State Fiscal Year (SFY) 2026 and \$8,700,000 in SFY 2027.

Obtaining SPA Language and Submitting Comments

This proposed 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, at the Town of Vernon Social Services Department, or upon request from DSS (see below). When feasible and relevant, the versions of the SPA pages posted to that webpage include track changes indicating this SPA's proposed changes to the current version of the Medicaid State Plan.

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: Department of Social Services, Medical Policy Unit, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105. Please reference "SPA 25-AM: Non-Governmental Independent Financially Distressed Hospitals – Outpatient Supplemental Payment".

Anyone may send DSS written comments about the 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

Supplemental Payment for Non-governmental Independent Financially Distressed Hospitals

Effective July 1, 2025, non-governmental independent licensed short-term general hospitals will receive outpatient supplemental payments in accordance with this section if they meet the following requirements:

1. Have average total margins of less than -10% or less in FFY 2023, as published in the State of Connecticut, Office of Health Strategy (OHS) 2023 financial stability report.
2. Be an independent hospital, which is defined as not merged or formally affiliated (i.e., a formal affiliation in which the hospital controls, or is controlled by, or operates under common control, directly or indirectly) with another hospital or hospital system that includes at least one other hospital, as determined based on OHS's Certificate of Need process.

If all of the above requirements are met, then qualifying hospitals shall receive \$14,000,000 for the fiscal year ending June 30, 2026, and \$8,700,000 for the fiscal year ending June 30, 2027. Payments shall be made quarterly.

TN # 25-AM
Supersedes
TN # NEW

Approval Date _____

Effective Date 07/01/2025