§ 17b-239e. Hospital rate plan. Supplemental pools and payments: Medical Assistance

(a) On or before January 1, 2012, the Commissioner of Social Services, in consultation with the Commissioners of Public Health and Mental Health and Addiction Services and the Secretary of the Office of Policy and Management, shall submit to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies a plan concerning the implementation of a cost neutral acuity-based method for establishing rates to be paid to hospitals that is phased in over a period of time.

(b) (1) Subject to federal approval, the Department of Social Services shall establish supplemental pools for certain hospitals, as determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, such pools as a supplemental inpatient pool, a supplemental outpatient pool, a supplemental small hospital pool, and a supplemental mid-size hospital pool. The Department of Social Services shall publish the required public notice for all Medicaid state plan amendments necessary to establish the pools not later than fifteen days after passage of this section or December 1, 2017, whichever is sooner.

(2) (A) For the fiscal year ending June 30, 2018, the amount of funds in the supplemental pools shall total in the aggregate five hundred ninety-eight million four hundred forty thousand one hundred thirty-eight dollars.

(B) For the fiscal year ending June 30, 2019, the amount of funds in the supplemental pools shall total in the aggregate four hundred ninety-six million three hundred forty thousand one hundred thirty-eight dollars.

(C) For the fiscal year ending June 30, 2020, the amount of funds in the supplemental pools shall total in the aggregate one hundred sixty-six million five hundred thousand dollars.

(3) The department shall distribute supplemental payments to applicable hospitals based on criteria determined by the department in consultation with the Connecticut Hospital Association, including, but not limited to, utilization and proportion of total Medicaid expenditures. Such consultation shall include, at a minimum, that the department shall send proposed distribution criteria in writing to the Connecticut Hospital Association not less than thirty days before making any payments based on such criteria and shall provide an opportunity to discuss such criteria prior to making any payments based on such criteria, except that, for the first twenty-five percent of supplemental payments for the fiscal year ending June 30, 2018, such consultation shall include sending the distribution criteria not less than seven days before making any payments based on such criteria.

(4) Subject to subdivision (1) of this subsection, for the fiscal years ending June 30, 2018, and June 30, 2019, the Department of Social Services shall make supplemental payments to applicable hospitals in accordance with the following schedule:
(A) The first twenty-five per cent of supplemental payments for the fiscal year ending June 30, 2018, shall be made: (i) On or before November 30, 2017, for the supplemental inpatient pool and supplemental small hospital pool; (ii) thirty days after the effective date of this section, but not later than January 1, 2018, for the supplemental mid-size hospital pool; (iii) thirty days after the effective date of this section, but not later than January 1, 2018, for the supplemental outpatient pool; and (iv) not later than thirty days after submission of the Medicaid state plan amendments for such payments for any pool not set forth herein required to be established to comply with federal law. The department shall make each payment by the dates set forth in this subparagraph even if each applicable Medicaid state plan amendment approval has not yet been received from the Centers for Medicare and Medicaid Services, provided each payment remains subject to federal approval and may later be recovered if federal approval is not obtained.

(B) The second twenty-five per cent of such supplemental payments shall be made on or before December 31, 2017, except that the department may delay such payments until fourteen days after receiving approval from the Centers for Medicare and Medicaid Services for the Medicaid state plan amendment or amendments necessary for the state to receive federal Medicaid funds for such supplemental payments.

(C) The third twenty-five per cent of supplemental payments shall be made on or before March 31, 2018, even if each applicable Medicaid state plan amendment approval has not yet been received from the Centers for Medicare and Medicaid Services, provided each payment remains subject to federal approval and may later be recovered if federal approval is not obtained.

(D) Supplemental payments for each subsequent twenty-five per cent of the supplemental payment for each of the fiscal years ending June 30, 2018, and June 30, 2019, shall be made in corresponding installments on or before the last day of March, June, September and December during each said fiscal year, except that the department may delay such payments until fourteen days after receiving approval from the Centers for Medicare and Medicaid Services for the Medicaid state plan amendment or amendments necessary for the state to receive federal Medicaid funds for such supplemental payments.