

DEPARTMENT OF SOCIAL SERVICES

NOTICE OF INTENT TO AMEND REGULATIONS

In accordance with the provisions of section 4-168(a) of the Connecticut General Statutes, as amended, notice is hereby given that the Commissioner of Social Services, pursuant to section 17b-3 of the Connecticut General Statutes, intends to amend section 17b-262-524 of the Regulations of Connecticut State Agencies regarding medical assistance billing and payment requirements for medical foundations.

Statement of Purpose: (A) The purpose of the proposed regulation is to amend section 17b-262-524 of the Regulations of Connecticut State in recognition of Public Act 09-212, now codified at sections 33-182aa to 33-182ff, inclusive, of the Supplement to the General Statutes, which authorizes the establishment of medical foundations. This change, which adds subsection (i) to section 17b-262-524 of the Regulations of Connecticut State Agencies, allows billing by and payment to a medical foundation for the services it provides to medical assistance program clients and allows the Department of Social Services to monitor that such billing and payment are not duplicative of those made to those entities that are related to the medical foundation.

(B) The Department is proposing this amendment to harmonize its current regulation relating to billing by a related party with the statute, enacted in 2009, which allows a hospital to have a direct or indirect ownership interest in a medical foundation that seeks to bill the Department of Social Services for services it provides to medical assistance clients. The existing regulation does not contemplate the medical foundation model. Accordingly, the proposed regulation permits such billing and payment as long as the Department approves the mechanisms the medical foundation has in place to ensure that there will be no duplicate billing to or payment by the Department of Social Services. In addition, the proposed regulation requires the medical foundation to demonstrate, within three months after it starts billing the Department of Social Services, and as requested by the Department from time to time, that no such billing occurs. The proposed regulation explains that duplicate billing includes, but is not limited to, claims for costs associated with related party transactions (between the medical foundation, the hospital and any other related parties), as referenced in subsection (o) of section 17b-262-531 of the Regulations of Connecticut State Agencies.

(C) The legal effect of the proposed amendment is that it will give effect to the statute authorizing the establishing of medical foundations by allowing the medical foundations to bill the Department of Social Services for services provided to medical assistance clients. At the same time, the proposed amendment requires the Department of Social Services to approve the mechanisms established by the medical foundations to avoid duplicate billing and to monitor billings by and payments to medical foundations to ensure that no duplicate billing occurs.

A copy of the complete text of this regulation is available, at no cost, upon request from the Office of Legal Counsel, Regulations and Administrative Hearings, Department of Social Services, 25 Sigourney Street, Hartford, Connecticut 06106; email: patricia.pion@ct.gov.

All written comments, questions, and concerns regarding this regulation may be submitted within 30 days of the publication of this notice to the Department of Social Services, Office of Legal Counsel, Regulations & Administrative Hearings, 25 Sigourney Street, Hartford, Connecticut, 06106. Attention: Brenda Parrella, Director. A hearing will be scheduled on the proposed regulation if requested by fifteen persons, by a governmental subdivision of an agency or by an association having not less than fifteen members, if notice of the request is received by the Department within fourteen days after the date of publication of this notice.

When submitting correspondence, please refer to Regulation Control Number 11-02/JM.