

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: HB-5341

AN ACT EQUALIZING MEDICAID RATES FOR PROVIDERS OF IN-PATIENT

Title: MENTAL HEALTH SERVICES IN EASTERN CONNECTICUT.

Vote Date: 3/17/2022

Vote Action: Joint Favorable Substitute

PH Date: 3/8/2022

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

Committee Bill No. 5341 will increase Medicaid reimbursement rates for inpatient psychiatric services to a level that is commensurate with the cost of providing this high level of care because current rates are insufficient to cover these costs. It requires DSS to compare Medicaid payment rates for providers of inpatient mental health services in eastern Connecticut to Medicaid payment rates for such providers in other areas of the state. Additionally, this legislation will adjust rates necessary to achieve payment parity. 15 Currently, there are three payment tiers for inpatient psychiatric services. These payment tiers were developed during the transition to Medicaid diagnosis-related group (DRG)-based inpatient rates in 2015.

SUBSTITUTE LANGUAGE:

The substitute language for this bill adds a timeline for payment review and adjusts achieve payment parity dependent upon available appropriations.

RESPONSE FROM ADMINISTRATION/AGENCY:

Commissioner of the Department of Social Services, Deidre Gifford, states that the Department is unable to support this bill at this time since rate parity hikes are not included in the Governor's requested budget revisions. As stated in the testimony, DSS is in the early stages of implementing a value-based payment model for inpatient psychiatric services for children in partnership with DCF and DMHAS. Adults would benefit from a similar program, according to DSS. This proposed cost-neutral, value-based payment approach would focus

on equity, access, member experience, and outcomes while considering fair expenses. Any rate review should be based on cost guidelines that have been approved by the federal government as reasonable and efficient. A method of standardizing rates that ignores federal rules could have an impact on federal reimbursement.

NATURE AND SOURCES OF SUPPORT:

The Connecticut Hospital Association (CHA) supports equalizing and increasing Medicaid reimbursement rates for all hospitals providing inpatient psychiatric services. Stating the need for more bed capacity is apparent but meeting the ongoing demand for inpatient psychiatric beds would necessitate a whole-system strategy. As stated, hospitals are ready to improve care for patients in need, and CHA asks the General Assembly to take a bolder stance, more immediate, and direct approach to encouraging hospitals to expand bed capacity and remove expanding bed waiting lists. CHA believes that when bold monetary motivating forces are incentivized, the urge for more medical clinics to put resources into offices, hardware, and staff as well. In response this should result to resolve the current crisis in demand and meet future needs for inpatient psychiatric services.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Resident, David Godbout, opposes this bill. As stated in the testimony, all proposed bills within the Connecticut General Assembly are in violation of citizens' 4th Amendment Rights, citing the fact that many spaces in the Capitol and Legislative Office Buildings are currently restricted.

Reported by: Taylor Williams

Date: 3/21/22