



TO: General Acute Care Hospitals & Children's Hospitals
RE: Inpatient Hospital Modernization/Non DRG Payments for Per Diem Services

The purpose of this bulletin is to provide guidance to general acute care hospitals regarding inpatient services that may be carved out of the All Patient Refined-Diagnosis Related Group (APR-DRG) payment methodology and the prior authorization (PA) process for such services.

Effective for admissions on or after January 1, 2015, any service that falls outside of the DRG payment methodology will be reimbursed a per diem rate. Services that may be paid outside of the DRG payment methodology are DRG assignments 740-776 (behavioral health) and 860 (rehabilitation). Until the per diem PA process is implemented (see below), services with those DRG assignments are deemed to be identified as eligible to receive a per diem rate.

The initial implementation of APR-DRGs will bring no immediate changes to the prior authorization process. It is the hospital's responsibility to obtain prior authorization for all inpatient admissions, including the services that may fall outside of the DRG payment methodology. Upon admission into the hospital, if the admitting diagnosis of the client is a medical diagnosis, prior authorization should be received from Community Health Network of Connecticut (CHNCT). If the admitting diagnosis of the client is behavioral health, prior authorization should be received from the Connecticut Behavioral Health Partnership (CT BHP).

Any admission that is assigned a DRG of 740-776 (behavioral health) or 860 (rehabilitation) will be paid a per diem rate as outlined in the DSS Reimbursement Modernization Web page. This information can be accessed by visiting www.ct.gov/dss, and then select "Programs & Services," then "Programs A to Z," then go to "Medicaid Hospital Reimbursement," and then select "Reimbursement Modernization." The behavioral health and rehabilitation per diem rates

can be obtained under the September 3, 2014 meeting summary. Additional information can be found on the Department's Web site at www.ctdssmap.com. Go to "Hospital Modernization," and then go to "Claims Paid Per Diem Rates."

When a client is admitted to the hospital with a principal medical diagnosis, the provider must obtain prior authorization from CHNCT. If upon further evaluation, a behavioral health diagnosis becomes the primary diagnosis, the initial authorization from CHNCT will cover the entire inpatient admission. The per diem rate will be reimbursed regardless of which administrative service organization (ASO) authorizes the admission and regardless of whether the client is in the medical unit or behavioral health unit.

Please note the Department may retroactively review any claim that pays a per diem rate in accordance with the retrospective review provisions of the proposed regulations that are being implemented as an operational policy pursuant to section 17b-239 of the Connecticut General Statutes. Go to www.ctdssmap.com, then "Information," then "Publications," then select Hospital Inpatient: New Requirements.

To receive prior authorization for medical admissions or to obtain additional information regarding the authorization process, please contact CHNCT at 1-800-440-5071 or visit www.huskyhealth.com. To receive prior authorization or obtain further information regarding behavioral health admissions, please contact CT BHP (Value Options) at 1-877-552-8247 or visit the CTBHP website at www.ctbhp.com.

Future Guidance

The Department is in the process of modifying the policy concerning prior authorization for per diem

payments. A new type of prior authorization known as a “per diem PA” is anticipated to be operational sometime in 2015. To be eligible for the per diem rate, a per diem PA will be required, in addition to or in place of the authorization received at the time of admission. If the per diem PA is not received, the Department will reimburse the hospital based on the DRG assignment rather than the per diem rate. The Department will be providing additional guidance regarding these changes prior to implementation.

