

## State of Connecticut Department of Social Services

### DSS Regulation 22-02 / PR2022-002 – Alternative Payment Methodologies (Maternity Bundled Payment)

#### Responses to Comments – March 31, 2025

#### **GENERAL COMMENTS**

##### **1. Comments Regarding Case Rate True Up (Case Rate Reconciliation)**

Comment: Implement a transitional case rate reconciliation, which the Department refers to as a “case rate true up” to avoid confusion with the program’s shared savings reconciliation, for the program’s first two years to prevent unintended financial instability for Maternity Bundle providers. Alternatively, implement an across-the-board percentage increase in case rates to mitigate provider concerns about case rate adequacy.

Response: DSS declines to make the revision to implement a case rate true up for the Maternity Bundle Program. If DSS were to implement a case rate true-up, federal authority and state budget constraints would require the state to conduct an upside and downside reconciliation. DSS analysis suggests this request may create more harm than benefit to providers, and it would also create additional administrative burden and state cost.

Regarding case rate adequacy, DSS also declines to make the revision to implement an across-the-board percentage rate increase. DSS anticipates that the case rate payment will provide an opportunity for providers to earn additional revenue, adding an estimated \$6 million in combined federal and state expenditures annually. In addition, participating providers will also be eligible to receive additive funding through add-on payments for lactation support and doula services (\$7 and \$14 per-member-per-month payments, respectively) and upside only shared savings payments for delivering high-quality, cost-effective services.

As DSS has centered access to affordable, high-quality care as a key priority for the Maternity Bundle Program, DSS is actively monitoring changes in member access, practice revenue and participation, and billing patterns to ensure that the roll-out of case rate payments occurs as designed and to preserve HUSKY Health access to care. Additionally, DSS plans to rebase the case rates not more frequently than once annually.

##### **2. Comments Regarding Case Rate Appeal Rights**

Comment: In a manner that is consistent with other areas of Medicaid reimbursement, incorporate a provision to offer Maternity Bundle providers the right to appeal provider-specific case rates to protect providers against unilateral rate adjustments that could undermine financial sustainability and access to care.

Response: DSS declines to make this revision to provide case rate appeal rights as the Maternity Bundle Program has been designed to increase investment in maternity care providers. Additionally, please note that, in response to this comment, DSS previously added a provision that affords providers a desk review to appeal their incentive payments.

To ensure that the case rates offered participating practices financial viability, DSS rigorously developed the case rate payments based on each practice's historic utilization and FFS billing and conducted significant testing through the program's historic simulation and a fiscal impact analysis. Subsequently, prior to program launch, DSS engaged extensively with Maternity Bundle practices to provide detailed information, education, and transparency about the rate development process and Performance Year (PY) 1 case rates. In March 2024, DSS provided draft provider-specific case rates to all participating providers along with detailed specifications documenting how rates were developed. In August 2024, in response to requests for additional data, DSS also distributed supplementary provider-specific data illustrating how the case rate was developed. Moreover, in November 2024, DSS shared final PY 1 case rate letters and hosted several provider forums and one-on-one meetings to ensure providers were informed of their PY 1 case rates, program billing guidance, and payment remittance.

For those reasons and in order to ensure prompt and seamless administration of the program, there will not be a formal appeal right for the case rate, consistent with the position that there are generally not formal appeal rights for most non-institutional provider types, such as the practitioners who participate in the Maternity Bundle (physicians, certified nurse midwives, advanced practice registered nurses, and physician assistants).