



General Assembly

February Session, 2026

Substitute Bill No. 499



AN ACT CONCERNING MEDICAID RATE INCREASES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2026*) (a) As used in this section, (1)
2 "Medicaid rate study" means the study commissioned by the
3 Department of Social Services pursuant to section 1 of public act 23-186,
4 (2) "five-state rate benchmark" means the average of rates for the same
5 health care services in Maine, Massachusetts, New Jersey, New York
6 and Oregon, and (3) "Medicare Economic Index" means a measure of
7 inflation for physicians with respect to their practice costs and wage
8 levels as calculated by the Centers for Medicare and Medicaid Services.

9 (b) Within available appropriations, the Commissioner of Social
10 Services shall phase in increases to Medicaid provider rates in
11 accordance with the Medicaid rate study. The commissioner shall phase
12 in the rate increases commencing on July 1, 2026, such that by June 30,
13 2029, all such rates equal (1) not less than seventy-five per cent of the
14 most recent Medicare rates for the same health care services, or (2) for
15 such services with no corresponding Medicare rates, a percentage of the
16 five-state rate benchmark that results in an equivalent rate increase.

17 (c) On and after June 30, 2029, the commissioner shall adjust such
18 rates every year (1) to not less than seventy-five per cent of the most
19 recent Medicare rates for the same health care services, (2) to an
20 equivalent percentage of the five-state rate benchmark for such services

21 with no corresponding Medicare rates, or (3) by increasing such rates by
22 any percentage increase in the Medicare Economic Index.

23 (d) Any review or rebasing of Medicaid rates shall include those rates
24 (1) required to be studied pursuant to the Medicaid rate study; and (2)
25 with no corresponding (A) Medicare rate for the same health care
26 service, or (B) average five-state rate benchmark rate included in the
27 Medicaid rate study. If any one state within the five-state rate
28 benchmark group has a corresponding rate for the same or substantially
29 similar health care service, such rate shall be used for comparison in
30 such review.

31 (e) The commissioner shall streamline and consolidate existing fee
32 schedules used for provider or service reimbursement so that every
33 provider is reimbursed using the same fee schedule. In streamlining and
34 consolidating existing fee schedules, the commissioner shall
35 incorporate, to the extent applicable, the most recent Medicare fee
36 schedule for services covered by Medicare as well as Medicaid.

37 Sec. 2. (NEW) (*Effective July 1, 2026*) (a) The Council on Medical
38 Assistance Program Oversight, established pursuant to section 17b-28
39 of the general statutes, shall develop and implement an ongoing
40 systemic review of Medicaid provider reimbursement rates to ensure
41 rates are adequate to sustain a sufficient provider pool to provide
42 Medicaid member access to high-quality care.

43 (b) Not later than January 15, 2027, and annually thereafter, the
44 council shall file a report, in accordance with the provisions of section
45 11-4a of the general statutes, with the joint standing committees of the
46 General Assembly having cognizance of matters relating to
47 appropriations and the budgets of state agencies and human services.
48 The report shall include the council's recommendations on necessary
49 appropriations to ensure Medicaid providers are compensated for
50 health care services in accordance with section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	New section
Sec. 2	<i>July 1, 2026</i>	New section

Statement of Legislative Commissioners:

In Section 1(b) and (d), "five-state benchmark" or "benchmark" was changed to "five-state rate benchmark" and "public act 23-186" was changed to "the Medicaid rate study" for consistency with the defined term.

HS *Joint Favorable Subst. -LCO*