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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 21-0022

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

November 8, 2021

Ms. Meg Snead
Acting Secretary Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17105-2675

RE: State Plan Amendment 21-0022

Dear Ms. Snead:

We have completed our review of State Plan Amendment (SPA) 21-0022. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA authorizes an additional class of disproportionate share hospital payments to facilities treating a high number of COVID-19 patients.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 21-0022 effective September 12, 2021. We are enclosing the CMS-179 and the amended plan page.

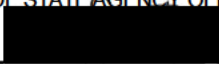

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Rory Howe
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 21-0022	2. STATE Pennsylvania
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE September 12, 2021	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 Subpart C	6. FEDERAL BUDGET IMPACT a. FFY 2021 \$0 b. FFY 2022 \$50,393,036	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A, Page 21kk	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19A, Page 21kk	
10. SUBJECT OF AMENDMENT Additional Class of Disproportionate Share Payments to Qualifying Hospitals		
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS <input type="checkbox"/> SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Review and approval authority <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL has been delegated to the Department of Human Services		
12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning P.O. Box 2675 Harrisburg, Pennsylvania 17105-2675	
13. TYPED NAME M. Snead		
14. TITLE Acting Secretary of Human Services		
15. DATE SUBMITTED September 14, 2021		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED 9/14/2021	18. DATE APPROVED November 8, 2021	
PLAN APPROVED - ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL September 12, 2021	20. SIGNATURE OF REGIONAL OFFICIAL  For	
21. TYPED NAME Rory Howe	22. TITLE Director, Financial Management Group	
23. REMARKS		

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals that provide inpatient services to MA beneficiaries. These payments are intended to provide financial relief to hospitals and promote access to acute care services for MA beneficiaries during the coronavirus pandemic.

A hospital is eligible for this additional class of DSH payments if the hospital is enrolled in the MA Program as an acute care general hospital, and the hospital submitted a Fiscal Year (FY) 2017-2018 MA-336 hospital cost report. The source of the information is the FY 2017-2018 MA-336 Hospital Cost Report, as available to the Department on April 7, 2020.

The Department will determine a qualifying hospital's annual payment amount by multiplying the hospital's number of Pennsylvania MA inpatient acute care days, both fee-for-service and managed care, by either:

- a) \$84.77 for qualifying hospitals with at least 90% MA dependence percent ranking; or,
- b) \$67.82 for qualifying hospitals with at least 75% but less than 90% MA dependence percent ranking; or,
- c) \$50.86 for qualifying hospitals with at least 50% but less than 75% MA dependence percent ranking; or,
- d) \$33.91 for qualifying hospitals with less than 50% MA dependence percent ranking.

For purposes of these DSH payments, the Department determines each hospital's MA dependence statistic by dividing the hospital's Pennsylvania MA inpatient acute care days, both fee-for-service and managed care, by the hospital's total hospital inpatient acute care days. The Department determines each hospital's MA dependence percent ranking using the hospital's MA dependence statistic in relation to all eligible hospitals.

All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit. The Department will not redistribute DSH payments made under this class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

The FY 2021-2022, the Department will allocate an annualized amount of \$85.586 million in total funds (state and federal) for these DSH payments, adjusted to reflect the reconciliation factor described in Part VI.