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



Center for Medicaid and State Operations, CMSO

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CMS - DMCHO

Ms. Estelle B. Richman, Secretary Department of Public Welfare Commonwealth of Pennsylvania P.O. Box 2675 Harrisburg, Pennsylvania 17105-2675

OCT 29 2009

RE: State Plan Amendment 09-007

Dear Ms. Richman:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 09-007. This amendment amends the current payment methodology Pennsylvania uses to determine disproportionate share adjustment (DSH) payments to certain qualifying hospitals designated as Critical Access Hospitals (CAHs) and certain qualifying rural hospitals.

We conducted our review of this amendment 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 and the regulations at 42 CFR 447 Subpart C. I am pleased to inform you that Medicaid State plan amendment 09-007 is approved effective April 1, 2009. I have enclosed the approved HCFA-179 and the amended state plan pages.

If you have any questions, please call Keith Leuschner on (717) 782-4967.

Sincerely,

Cindy Mann

Director

Center for Medicaid and State Operations (CMSO)