DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, M/S S3-13-15 Baltimore, MD 21244-1850

Ms. Harriet Dichter, Secretary

Commonwealth of Pennsylvania Department of Public welfare



Center for Medicaid, CHIP, and Survey & Certification

RECEIVED AUG 17 2010 CMS - DMCHO AUG - 5 2010 Office of Medical Assistance Programs

RE: State Plan Amendment (SPA) 09-014

Bureau of Policy, Budget and Planning

Dear Ms. Dichter:

Harrisburg, PA 17105

P.O. Box 8046

We completed our review of the proposed amendment to section 4.19D of Pennsylvania's Title XIX Medicaid State plan submitted under transmittal number (TN) 09-014. Specifically, this amendment continues the use of county nursing facility costs in non-public nursing facility peer group pricing, but phases the practice out over a three year period. It also establishes and phases in minimum occupancy requirements as a condition to receive reserved bed day payments, and extends the Commonwealth's provision for payments to facilities transitioning from public to private.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-014 is approved with an effective date of July 1, 2009. We are enclosing the HCFA-179 (with pen and ink changes) and the amended plan pages.

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

Sincerely,

Centers for Medicaid, CHIP, and Survey & Certification