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**State Name: Pennsylvania**

**State Plan Amendment (SPA) #10-022**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179
- 3) Approved SPA Pages

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



**Center for Medicaid, CHIP, and Survey & Certification**

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Mr. Gary Alexander, Secretary Elect  
Department of Public welfare  
Office of Medical Assistance Programs  
Bureau of Policy, Budget and Planning  
PO Box 8046  
Harrisburg, PA 17105

FEB 15 2011

RE: State Plan Amendment (SPA) 10-022

Dear Mr. Alexander:

We have completed our review of SPA 10-022 which amends section 4.19A of Pennsylvania's Title XIX state plan. Specifically, it continues disproportionate share payments to an additional class of qualifying acute care hospitals and establishes procedures for payments to such hospitals.

We conducted our review of your submittal 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 Pennsylvania SPA 10-022, effective December 12, 2010. We are enclosing the HCFA-179 and the amended state plan pages.

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

Sincerely,

Sindy Männ  
Director, CMCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 10-022	2. STATE Pennsylvania
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE December 12, 2010	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       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	7. FEDERAL BUDGET IMPACT: a. FFY 2011      \$ 20,088,595.00 b. FFY 2012      \$ 19,630,558.00
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 21a	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 21a
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10. SUBJECT OF AMENDMENT:  
Additional Class of Disproportionate Share Payments

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Review and approval authority has  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      been delegated to the Department of  
Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>[Signature]</i>	16. RETURN TO: Commonwealth of Pennsylvania Department of Public Welfare Office of Medical Assistance Programs Bureau of Policy, Budget and Planning P.O. Box 8046 Harrisburg, Pennsylvania 17105
13. TYPED NAME: Michael P. Nardone	
14. TITLE: Acting Secretary of Public Welfare	
15. DATE SUBMITTED:	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:	18. DATE APPROVED: 02-15-11
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**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: DEC 12 2010	20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>
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21. TYPED NAME: William Lasowski	22. TITLE: Deputy Director, CMCS
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23. REMARKS:

## ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

Effective October 1, 2000, the Department established an additional class of disproportionate share (DSH) payments to certain qualifying hospitals, which the Department determined advanced the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

The Department intends to consider a hospital eligible, provided it is an acute care general hospital that meets all of the following criteria:

(a) The hospital provides in excess of 100,000 inpatient days to Medical Assistance (MA) eligible individuals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);

(b) The hospital has a Low-Income Utilization Rate in excess of the 95<sup>th</sup> percentile of the Low-Income Utilization Rate for all enrolled acute care general hospitals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);

(c) The hospital's ratio of MA revenue to net patient revenue exceeds the 98<sup>th</sup> percentile for all Commonwealth acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;

(d) The dollar-value of the hospital's uncompensated care equals or exceeds the 94<sup>th</sup> percentile of the value to uncompensated care for all acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;

(e) The hospital is located in a Census tract designated by the Bureau of Primary Health Care of the Health Resource and Services Administration as a Medically Underserved Area.

For Fiscal Year 2010-2011, the fiscal impact as a result of these payments is \$36.105 million in total funds (\$16.016 million in State General Funds).

Payments will be divided proportionally among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to the total MA inpatient days of all qualifying facilities.

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.

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TN# 10-022

Supersedes

TN# 10-005

FEB 15 2011

Approval Date \_\_\_\_\_

Effective Date: December 12, 2010