

Table of Contents

State Name: Pennsylvania

State Plan Amendment (SPA) #11-001

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

APR 15 2011

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

RE: State Plan Amendment (SPA) 11-001

Dear Mr. Alexander:

We have completed our review of SPA 11-001 which amends section 4.19A of Pennsylvania's Title XIX state plan. Specifically, it provides for an additional class of disproportionate share qualifying teaching hospitals and establishes procedures for payments to such hospitals to help offset the costs of providing psychiatric services to Medicaid and uninsured clients.

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 11-001, effective January 1, 2011. 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,

Cindy Mann
Director
Centers for Medicaid, CHIP, and Survey & Certification

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 11-001	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 January 1, 2011	
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 2010 \$ 274,050.00 b. FFY 2011 \$ 278,200.00
---	---

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 21j	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 21j
---	--

10. SUBJECT OF AMENDMENT:
Additional Class of Disproportionate Share to Qualifying Teaching Hospitals

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:	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: Gary D. Alexander	
14. TITLE: Acting Secretary of Public Welfare	
15. DATE SUBMITTED: FEB 9 2011	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 04-15-11
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2011	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: William Lasowski	22. TITLE: Deputy Director, CMCS
23. REMARKS:	

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING TEACHING HOSPITALS

The Department of Public Welfare (Department) has established an additional class of disproportionate share (DSH) payments to qualifying teaching hospitals that provide psychiatric services to Medical Assistance (MA) recipients. Across the Commonwealth there is a shortage of psychiatrists, notably those involved in the public health sector. The Department is working to recruit and retain psychiatrists to work in underserved rural and urban areas throughout the Commonwealth. These payments are intended to help offset the medical education costs of psychiatrists incurred by the hospitals providing psychiatric services to MA recipients and the uninsured.

The Department will consider any psychiatric unit of a general acute care hospital enrolled in Pennsylvania MA with psychiatric medical education costs that exceed \$100,000, according to the Fiscal Year (FY) 2005-2006 MA Cost Report, eligible for this additional class of DSH payments if it meets one of the following criteria:

1. The hospital provides at least 40,000 psychiatric days of service to Pennsylvania MA recipients as reported on the FY 2005-06 MA Cost Report; or
2. The hospital's inpatient psychiatric medical education costs for Pennsylvania MA recipients exceed \$500,000 as reported on the FY 2005-06 MA Cost Report; or
3. The hospital's uncompensated care to net patient revenue is greater than 5.0% as reported by Pennsylvania Health Care Cost Containment Council for Fiscal Year 2007.

Payments to qualifying teaching hospitals will be divided equally among all qualifying teaching hospitals, resulting in a payment of \$166,667 to each qualifying teaching hospital.

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.

Fiscal Impact

The Fiscal Year 2010-2011 fiscal impact, as a result of this DSH payment is \$0.500 million (\$0.223 million in State General Funds and \$0.277 million in Federal Funds).

TN# 11-001
Supersedes
TN# 10-001

Approval Date APR 15 2011

Effective Date: January 1, 2011