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State Name: Pennsylvania

State Plan Amendment (SPA) #11-002

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 S3-14-28
Baltimore, MD 21244-1850



Center for Medicaid, CHIP, and Survey & Certification

Mr. Gary D. Alexander, Secretary
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Budget and Planning
P.O. Box 8046
Harrisburg, PA 17105

JUL 2 2 2011

RE: State Plan Amendment (SPA) 11-002

Dear Mr. Alexander:

We completed our review of the proposed amendment to section 4.19A of Pennsylvania's Title XIX Medicaid State plan submitted under transmittal number (TN) 11-002 for an additional class of disproportionate share hospital payments. Specifically, this amendment continues disproportionate share payment adjustments to certain qualifying hospitals that provide a high volume of services to Medicaid and low income populations.

We conducted our review of your submittal according to the statutory requirements at Sections 1902(a)(2), 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 11-002, effective April 1, 2011. We are enclosing the HCFA-179 and the amended state plan page(s).

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: 11-002	2. STATE Pennsylvania
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2011	
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		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$ 2,876,000.00 b. FFY 2012 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 211		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 211	
10. SUBJECT OF AMENDMENT: Additional Class of Disproportionate Share Payments			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Review and approval authority has <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL been delegated to the Department of Public Welfare			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 13. TYPED NAME: Gary D. Alexander 14. TITLE: Acting Secretary of Public Welfare 15. DATE SUBMITTED: APR 26 2011		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	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JUL 22 2011 JUL 8 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 1 2011		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: PENNY THOMPSON		22. TITLE: DEPUTY DIRECTOR, CMCS	
23. REMARKS:			

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

The Department will make an additional class of disproportionate share hospital (DSH) payments to certain qualifying hospitals that the Department determines provide a high volume of services to Medical Assistance (MA) eligible and low-income populations. The Department intends for these payments to promote the hospitals' continued participation in the MA Program.

The Department will consider a hospital eligible for this additional class of DSH payments if the hospital is an acute care hospital that meets all of the criteria listed below.

- a) The hospital is located in a county that exceeds the 96th percentile of the unduplicated number of persons eligible for Medical Assistance, by county. (January 2010 MA unduplicated eligibility report).
- b) The hospital provides more than 58,000 patient days of service as reported on its 2007-2008 State Fiscal Year (FY) MA cost report (MA-336).
- c) The hospital's ratio of PA MA days to total hospital days is more than 20.0% as reported on its 2007-2008 State FY MA cost report (MA-336).
- d) The hospital's FY 2008 Uncompensated Care percentage of Net Patient Revenue is greater

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Health Care Cost Containment Council's Fiscal Year 2008 Financial Analysis, Volume One,
General Acute Care Hospitals.

Payments will be divided proportionately between qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to 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. Any funds available due to the application of the hospital-specific DSH upper payment limit will be redistributed to other hospitals qualifying under this class of disproportionate share payments on a proportionate basis.

For FY 2010-2011, the fiscal impact as a result of this additional class of disproportionate share payments is \$5.168 million (\$2.292 million in State General Funds).

TN# 11-002
Supersedes
TN# 10-015

Approval Date: JUL 25 2011 Effective Date: April 1, 2011