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State Name: Pennsylvania

State Plan Amendment (SPA) #11-018

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179
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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 CHIP Services

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

APR 30 2012

RE: State Plan Amendment 11-018

Dear Mr. Alexander:

We have reviewed the proposed amendment to Attachment 4.19-A of the Pennsylvania State plan submitted under transmittal number (TN) 11-018. This amendment modifies the State's methods regarding reimbursement for readmissions to inpatient facilities. Specifically, this amendment changes the readmission policy to non-payment for readmissions within 30 days.

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 also considered Pennsylvania's request that CMS apply the public process policies and examples applicable to inpatient hospital State plan amendments as described in the December 10, 1997 State Medicaid Director Letter (the SMDL) and concur that the State's legislative process described in the RAI response for PA 11-018 and related electronic correspondence meets those requirements. We concur and agree to the July 1 effective date for PA 11-018.

The determination that PA met the public process requirements applies specifically to the circumstances surrounding this SPA. Pennsylvania must meet all of the requirements for public process required by section 1902(a)(13)(A) of the Social Security Act and as implemented by the regulations at 42 CFR 447.205 when proposing SPAs.

We are approving Pennsylvania SPA 11-018 with an effective date of July 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, CMCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-018	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 July 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 \$ 0 b. FFY 2012 \$ (\$739,287.00)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 9	
10. SUBJECT OF AMENDMENT: Readmission Payment Methodology			
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:		16. RETURN TO: Commonwealth of Pennsylvania Department of Public Welfare Office of Medical Assistance Programs Bureau of Policy, Budget and Planning P.O. Box 3946 Harrisburg, Pennsylvania 17105	
13. TYPED NAME: Gary D. Alexander			
14. TITLE: Secretary of Public Welfare			
15. DATE SUBMITTED: SEP 27 2011			

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: APR 30 2012
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL - 1 2011	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: PENNY Thompson	22. TITLE: Deputy Director, CMCS
23. REMARKS:	

Upon discharge of the patient, the hospital receiving the transferred patient will be paid the DRG payment for the case. In addition, the hospital may receive an outlier payment to the extent it qualifies for an outlier payment as described on page 9a.

The transfer pricing described above does not apply to cases categorized into either the 'burns' or 'newborns and other neonates (perinatal period)' major diagnostic categories.

Readmissions

Effective July 1, 2011, when an eligible recipient is readmitted to a hospital within 30 days of the date of discharge, payment will be made as follows:

- (1) If the readmission is for the treatment of conditions that could or should have been treated during the previous admission, the Department will make no payment in addition to the original DRG payment. If the combined hospital stay qualifies as an outlier, an outlier payment will be made.
- (2) If the readmission is due to complications from the original diagnosis that result in a different DRG with a higher payment, the Department will pay the higher DRG payment rather than the original DRG payment.
- (3) If the readmission is due to conditions unrelated to the previous admission, the Department will consider the readmission as a new admission for payment purposes.

TN# 11-018
Supersedes
TN# 10-017

APR 30 2012

Approval Date: _____

Effective Date: July 1, 2011