STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: COMMONWEALTH OF PENNSYLVANIA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

ATTACHMENT 4.19A
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        (ii)   Of the amount available for distribution for rural hospitals, 10% will be distributed to qualified rural hospitals with neonatal intensive-care cases for PA MA recipients using the following formula:

        (A)   For each hospital, determine the ratio of the hospital's neonatal intensive-care cases for PA MA recipients to all neonatal intensive-care cases for the hospital.

        (B)   For each hospital multiply: the ratio under clause (A) by the number of the hospital's neonatal intensive-care cases for PA MA recipients.

        (C)   Add the products under clause (B) for all hospitals.

        (D)   Divide the amount available for distribution to rural hospitals by the sum under clause (C).

        (E)   Multiply the quotient under clause (D) by the product under clause (B).

        (F)   For rural hospitals located in counties whose ratio of MA eligible persons to total county population exceeds one standard deviation above the mean for all rural counties, multiply the product in clause (E) by 1.50. For rural hospitals located in counties whose ratio of MA eligible persons to total county population is equal to or greater than 1.3 standard deviations above the mean for all rural counties, multiply the product in clause (E) by 1.75. For rural hospitals located in counties whose ratio of MA eligible persons to total county population is equal to or greater than 1.6 standard deviations above the mean for all rural counties, multiply the product in clause (E) by 2.0.

        (iii)   15% of the funds available for rural hospitals will be distributed equally among qualified rural hospitals with obstetrical cases for PA MA recipients.

        (iv)   To ensure that payments do not exceed available funds, the Department will adjust payments to each hospital using the following formula:

        (A)   The calculated total amount of payments for each hospital under steps (i), (ii), and (iii) in this section is divided by the total calculated amount for all hospitals to obtain a percentage, which is a ratio of each hospital's respective share of the calculated amount.

        (B)   The resulting percentage for each hospital in clause (A) is multiplied by the total available funds to obtain a proportional payment for each hospital.

        (b)   85% of the total amount available will be paid to qualified nonrural hospitals as follows:

        (i)   Of the eighty-five percent, 52.5% will be distributed to qualified nonrural hospitals with obstetrical cases for PA MA recipients covered by MA using the following formula:

        (A)   For each hospital, determine the ratio of the hospital's obstetrical cases for PA MA recipients to all obstetrical cases for the hospital.

        (B)   · For each hospital, multiply the ratio under clause (A) by the number of the hospital's obstetrical cases for PA MA recipients.

        (C)   Add the products under clause (B) for all hospitals.

        (D)   Divide the amount available for distribution to nonrural hospitals by the sum under clause (C).

        (E)   Multiply the quotient under clause (D) by the product under clause (B).

        (ii)   Of the amount available for distribution to nonrural hospitals, 32.5% will be distributed to qualified nonrural hospitals with neonatal intensive-care cases for PA MA recipients using the following formula:

        (A)   For each hospital, determine the ratio of the hospital's neonatal intensive-care cases for PA MA recipients to all neonatal intensive-care cases for the hospital.

        (B)   For each hospital, multiply the ratio under clause (A) by the number of the hospital's neonatal intensive-care cases for PA MA recipients.

        (C)   Add the products under clause (B) for all hospitals.

        (D)   Divide the 32.5% by the sum under clause (C).

        (E)   Multiply the quotient under clause (D) by the product under clause (B).

        (iii)   Of the amount available for distribution to nonrural hospitals, 15% will be distributed equally among qualified nonrural hospitals with obstetrical cases for PA MA recipients.

For Fiscal Year 2011-2012 the fiscal impact of this additional class of DSH payments is $7.374 million ($3.313 million in State General Funds and $4.061 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).