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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-16-0019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT # 033120164091

June 16, 2016

Theodore Dallas
Secretary of Human Services
Department of Human Services
Room 333, Health & Welfare Building
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Secretary Dallas:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Pennsylvania's State Plan Amendment (SPA) Transmittal Number 16-0019, "Hospice Payment Methodology," which provides for the two-tiered Routine Home Care (RHC) and Service Intensity Add-on (SIA) payments as required by CMS final rule CMS-1629-F, titled "Medicare Program; FY 2016 Hospice Wage Index and Payment Rate Update and Hospice Reporting Requirements" at 12 FR 47142 (Final Rule). In compliance with the Final Rule, DHS implemented the new Medicare payment methodology and pays a two-tiered provider specific rate for RHC and a provider specific rate for SIA services, effective with dates of service on and after January 1, 2016.

This SPA is approved with an effective date of January 1, 2016. Enclosed are:

1. The CMS Summary Page (CMS-179 form); and
2. The approved State Plan pages for PA-16-0019;

If you have any questions concerning this SPA, please contact Mary McKeon at 215-861-4181.

Sincerely,

Francis T.
McCullough -S

Digitally signed by Francis T.
McCullough -S
Date: 2016.06.16 16:21:36 -04'00'

Francis McCullough
Associate Regional Administrator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 16-0019	2. STATE Pennsylvania
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE January 1, 2016	
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 F	7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$0.00 b. FFY 2016 \$880,777.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, pages 5b, 5bb, 5bbb.	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 5b.

10. SUBJECT OF AMENDMENT:

Hospice Payment Methodology

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Review and approval authority has been delegated to the Department of Human Services

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE/AGENCY OFFICIAL: /s/	16. RETURN TO: Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning P.O. Box 8046 Harrisburg, PA 17105
13. TYPED NAME: Ted Dallas	
14. TITLE: Secretary of the Department of Human Services	
15. DATE SUBMITTED: MAR 29 2016	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: March 30th, 2016	18. DATE APPROVED: June 16, 2016
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1 2016	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Francis McCullough	22. TITLE: Associate Regional Administrator

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER
TYPES OF CARE

19. Short Procedure Unit (SPU) (42 CFR 416.2)

Policy/Methods Used to Establish Payment Rates

See above Item 18.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER
TYPES OF CARE

20. Targeted Case Management Services for Persons with AIDS or Symptomatic HIV (42 CFR 440.169(b))

Policy/Methods Used to Establish Payment Rates

See 4.19B page 10.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER
TYPES OF CARE

21. Hospice Services

Policy/Methods Used to Establish Payment Rates

1. The agency pays Medicaid rates developed by CMS Medicaid and published on an annual basis for Hospice Services. The state-developed provider specific rates are the same for both governmental and private providers of hospice services within the same geographic factor from the Medicare wage index. For dates of service on or after January 1, 2016, the Department pays hospice providers for routine home care, continuous home care, inpatient respite care, general inpatient care, and a service intensity add-on payment at rates established by CMS. The hospice provider specific rate payments are calculated as follows:

Routine Home Care Limited to one unit of service per day.
Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount
Routine Home Care pays two different rates, a higher rate for days 1-60, and a lower rate for days 61 and beyond.

Continuous Home Care Limited to 24 hourly units of service per day.
Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount ÷ 24

Inpatient Respite Care Limited to one unit of service per day.
Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount

General Inpatient Care Limited to one unit of service per day.
Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount

Service Intensity Add-On Limited to one through 16 15-minute unit(s) of service per day during the beneficiary's last seven days of life.
Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount ÷ 24
The SIA payment is in addition to the routine home care rate. The Service Intensity Add-on is provided for one through a maximum of 16 15-minute units of service combined for both nursing visit time and/or social work visit time per day.

- A. In accordance with Section 3004 of the Affordable Care Act (ACA) and effective with dates of service on and after October 1, 2013, hospice providers are paid based on their compliance of submission of quality data to CMS on an annual basis. Hospice providers that comply with the quality data submission to CMS are paid a higher rate in accordance with Table 1 in the Centers for Medicaid and CHIP Services, Financial Management Group's Annual Change in Hospice Payment Rates letter, which may be viewed by accessing the following website link: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads/Medicaid-Hospice-Payment-Rates.pdf>.
 - B. In accordance with Section 3004 of the ACA and effective with dates of service on and after October 1, 2013, hospice providers that do not comply with the quality data submission to CMS on an annual basis are paid the minimal amount the state may pay the hospice provider as calculated above and reflected by Table 2 in the Centers for Medicaid and CHIP Services, Financial Management Group's Annual Change in Hospice Payment Rates letter, which may be viewed by accessing the following website link: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads/Medicaid-Hospice-Payment-Rates.pdf>. On an annual basis, the Department obtains the list of hospice providers who did not report the quality data from CMS.
2. Hospice providers are paid separately for direct care related to the beneficiary's terminal illness when provided by a hospice physician. Payment is made in accordance with the State Agency Fee Schedule based on established criteria. Physician payments are described on Attachment 4.19B, pages 1 and 4b.
 3. An additional room and board per diem amount will be paid to hospices in connection with routine home care and continuous home care furnished to beneficiaries who have elected hospice care and are residing in skilled or intermediate care facilities. Payment is at least 95% of the rate that would have been paid by the State under the plan for facility services for that individual. The room and board rate is adjusted annually for each hospice provider using the following calculation:

Room and Board Limited to one unit of service per day.
Previous year's Rate X Forecasted market basket percentage increase.