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State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0006

This file contains the following documents in the order listed:

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



Financial Management Group

Ms. Teresa D. Miller, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17110

JUL 11 2018

RE: State Plan Amendment 18-0006

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0006. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for disproportionate share hospital payments to certain acute care hospitals that further Pennsylvania's goal of enhanced access in economically distressed areas.

We conducted our review of this SPA 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 state plan amendment 18-0006 effective June 24, 2018. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

/S/

Kristin Fan
Director

Enclosures

cc: Leesa M. Allen, Deputy Secretary, DHS, Office of Medical Assistance Programs
Dan De Lellis, Director, DHS, Bureau of Policy, Planning, and Analysis

bcc: Fran McCullough, ARA, RO3
Teia Miller, Manager, FMB RO3
Sabrina Tillman-Boyd, Manager, POB RO3
Mary McKeon, PA State Lead
Lisa Carroll, CO NIRT
Official NIRT File

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
18-0006

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
June 24, 2018

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 2017 \$0
b. FFY 2018 \$3,764,425

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 27aa

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A, Page 27aa

10. SUBJECT OF AMENDMENT:

Additional Class of Disproportionate Share Hospital Payments

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
Review and approval authority has
been delegated to the Department of
Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME:

Teresa D. Miller

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED:

JUN 27 2018

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

JUL 11 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUN 24 2018

20. SIGNATURE OF REGIONAL OFFICIAL:
/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, Fullco

23. REMARKS:

DISPROPORTIONATE SHARE PAYMENTS

The Department of Human Services (Department) will make payments to certain Medical Assistance (MA) acute care general hospitals to ensure their participation in the MA Program. This payment is intended to promote access to inpatient hospital specialty services for MA eligible persons in the Commonwealth. These funds will be used to support the medical education and operation of an academic medical program, which will foster the supply of health care professionals to treat the MA population.

A hospital is eligible for this class of disproportionate share hospital (DSH) payments if the hospital meets all of the criteria listed below.

- a) The hospital is enrolled in the MA Program as an acute care general hospital and is licensed to provide inpatient obstetrical and neonatal services as reported by the Pennsylvania Department of Health for the period from July 1, 2014 through June 30, 2015.
- b) The hospital is located in a county with a population of less than 100,000 persons, based on the 2010 Census.
- c) The hospital is accredited as an adult Level I Trauma Center by the Pennsylvania Trauma System Foundation during Fiscal Year (FY) 2016-2017.
- d) The hospital's ratio of total MA inpatient discharges to total inpatient discharges exceeds 20.0%, based on its State FY 2013-2014 MA-336 Hospital Cost Report available to the Department as of March 2018.
- e) The hospital's ratio of MA revenue to net patient revenue exceeds 13.0%, based on the Pennsylvania Health Care Cost Containment Council *Financial Analysis 2015, Volume One*.

A hospital's payment amount for this class of DSH payments will be determined as follows:

- 1) Divide the hospital's MA inpatient discharges by the total MA inpatient discharges for all qualifying hospitals; and
- 2) Multiply that share by the total amount allocated for these payments.

The data used for purposes of this determination will be obtained from the FY 2013-2014 MA-336 Hospital Cost Report.

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. The Department will not redistribute DSH payments made under this additional class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

The FY 2017-2018 impact, as a result of the funding allocation for these payments, is \$7.265 million in total funds (\$3.500 million in State general funds and \$3.765 million in Federal funds).

TN# 18-0006
Supersedes
TN# 16-0046

Approval Date 1111 JUL 11 2018

Effective Date: June 24, 2018