

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 18-0041

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

January 18, 2019

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

RE: State Plan Amendment 18-0041

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0041. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA continues an additional class of disproportionate payments for acute care hospitals which are members of the Alliance of Independent Academic Medical Centers and ranked at least three standard deviations above the mean with respect to Medicaid inpatient days and above the 99<sup>th</sup> percentile of all acute care hospitals with respect to discharges.

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 18-0041 effective December 16, 2018. We are enclosing the CMS-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, Executive Deputy Secretary, DHS  
Sally Kozak, Deputy Secretary, DHS, OMAP  
Dan De Lellis, Director, DHS, Bureau of Policy, Planning, and Analysis

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

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER:  
**18-0041**

2. STATE  
Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)  
Title XIX

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**December 16, 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 2018 \$0  
b. FFY 2019 \$5,525,917

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21y

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19A, Page 21y

10. SUBJECT OF AMENDMENT  
Disproportionate Share Payments to Qualifying Hospitals

11. GOVERNOR'S REVIEW (Check One)

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

12. SIGNATURE OF STATE AGENCY OFFICIAL  
*/S/*

13. TYPED NAME  
Teresa D. Miller

14. TITLE  
Secretary of Human Services

15. DATE SUBMITTED  
**DEC 20 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  
**JAN 18 2019**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVAL  
**DEC 16 2018**

20. SIGNATURE OF REGIONAL OFFICIAL  
*/S/*

21. TYPED NAME  
*Kristin Fan*

22. TITLE  
*Director, FMG*

23. REMARKS

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS**

A hospital is eligible for this additional class of disproportionate share hospital (DSH) payments if the hospital is a general acute care hospital that meets all criteria listed below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2011-2012 MA-336 Hospital Cost Report.

- a) The hospital is enrolled in the Medical Assistance (MA) Program as a general acute care hospital and provides a comprehensive array of inpatient services (acute, psychiatric and rehabilitation), including inpatient obstetrical and neonatal services to MA beneficiaries.
- b) The hospital is accredited as an adult Level I Trauma Center according to the Pennsylvania Trauma Systems Foundation 2013 Annual Report.
- c) The hospital ranked at least three standard deviations above the mean for the total number of inpatient days provided to MA beneficiaries.
- d) The hospital ranked above the 99<sup>th</sup> percentile of all acute care hospitals for the total number of MA discharges.
- e) The hospital is an independent academic medical center and a member of the Alliance of Independent Academic Medical Centers.

Payments will be divided proportionally among all qualified hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualified hospitals. 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 of Human Services 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 2018-2019 impact, as a result of the funding allocation for these payments, is \$10.576 million in total funds (\$5.050 million in State general funds and \$5.526 million in Federal funds).

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TN# 18-0041  
Supersedes  
TN# 18-0007

Approval Date: JAN 18 2019

Effective Date: December 16, 2018