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State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0054

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



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 18-0054

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0054. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment authorizes an additional class of disproportionate share hospital payments to acute care facilities to promote access in less urban areas of the Commonwealth.

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 18-0054 effective December 23, 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**

1. TRANSMITTAL NUMBER:
18-0054

2. STATE
Pennsylvania

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

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 23, 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 \$820,680

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21bb

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 21bb

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 REGIONAL OFFICIAL

/S/

13. TYPED NAME

Teresa D. Miller

14. TITLE

Secretary of Human Services

15. DATE SUBMITTED

DEC 21 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 APPROVED MATERIAL

DEC 23 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

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals to promote access to acute care services for MA eligible persons in less urban areas of the Commonwealth.

A hospital is eligible for this additional class of DSH payments if the hospital meets all criteria listed below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2013-2014 MA-336 Hospital Cost Report available to the Department as of October 2016.

- a) The hospital is enrolled in the MA Program as a general acute care hospital.
- b) The hospital is located in a city of the third class, as defined in the *Pennsylvania Manual* (Volume 121) with a population of at least 25,000 persons, based on the 2010 Census.
- c) The hospital has at least 150 beds.
- d) The hospital reported an Inpatient Low-Income Utilization Rate of at least 20.0%.
- e) The hospital's ratio of uncompensated care to net patient revenue was higher than 3.75%, based on the Pennsylvania Health Care Cost Containment Council *Financial Analysis 2015, Volume One*.

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

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

The data used for purposes of this determination will be 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 hospitals-specific DSH limit.

The FY 2018-2019 impact, as a result of the funding allocation for these payments, is \$1.571 million (\$0.750 million in State general funds and \$0.821 million in Federal funds).