

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 19-0005

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**

May 30, 2019

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

RE: State Plan Amendment 19-0005

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 19-0005. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA continues funding 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 19-0005 effective April 21, 2019. 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>19-0005</b>	2. STATE Pennsylvania
<b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		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  April 21, 2019	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> 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 2019 \$62,384,979 b. FFY 2020 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19A, Page 21a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19A, Page 21a	
10. SUBJECT OF AMENDMENT  Disproportionate Share Payments to Qualifying Hospitals			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS <input type="checkbox"/> SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> 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 2875 Harrisburg, Pennsylvania 17105-2675	
13. TYPED NAME Teresa D. Miller			
14. TITLE Secretary of Human Services			
15. DATE SUBMITTED <b>MAY 07 2019</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED		18. DATE APPROVED <b>MAY 30 2019</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>APR 21 2019</b>		20. SIGNATURE OF REGIONAL OFFICIAL  /S/	
21. TYPED NAME <b>Kristin Fan</b>		22. TITLE <b>Director, FMG</b>	
23. REMARKS			

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

The Department of Human Services (Department) will make an additional class of disproportionate share hospital (DSH) payments to certain qualifying hospitals that advance the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

A hospital is eligible for this additional class of DSH payments, provided it is an acute care general hospital that meets all the following criteria:

- (a) The hospital provides in excess of 100,000 inpatient days to Medical Assistance (MA) eligible individuals as reported on its Fiscal Year (FY) 2004-2005 MA-336 Hospital Cost Report;
- (b) The hospital has a Low-Income Utilization Rate in excess of the 95<sup>th</sup> percentile of the Low-Income Utilization Rate for all enrolled acute care general hospitals as reported on its FY 2004-2005 MA-336 Hospital Cost Report;
- (c) The hospital's ratio of MA revenue to net patient revenue exceeds the 98<sup>th</sup> percentile for all Commonwealth acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (d) The dollar value of the hospital's uncompensated care equals or exceeds the 94<sup>th</sup> percentile of the value to uncompensated care for all acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (e) The hospital is located in a Census tract designated by the Bureau of Primary Health Care of the Health Resource and Services Administration as a Medically Underserved Area.

Payments will be divided proportionally among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to the total MA inpatient days of all qualifying facilities.

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 2018-2019 impact, as a result of the funding allocation for these payments is \$119.397 million (\$57.012 million in State general funds and \$62.385 million in Federal funds).

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TN# 19-0005  
Supersedes  
TN# 18-0013

Approval Date: MAY 30 2019

Effective Date: April 21, 2019