

Table of Contents

State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-19-0010

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
Center for Medicaid and CHIP Services
801 Market Street, Suite 9400
Philadelphia, Pennsylvania 19107



Regional Operations Group

SWIFT # 051720194014

August 8, 2019

Teresa Miller
Secretary
Pennsylvania Department of Human Services
625 Forster Street
Room 333, Health & Welfare Building
Harrisburg, Pennsylvania 17120

Dear Secretary Miller:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Pennsylvania's State Plan Amendment (SPA) Transmittal Number 19-0010, "Alternative payment methodology to increase funding for FQHCs located in/operated by cities of the first class." The Pennsylvania Department of Human Services (DHS) submitted SPA PA-19-0010 which proposed to modify its payment methodology for Federally Qualified Health Centers (FQHCs). Approval of SPA PA-19-0010 will permit the implementation of an alternative payment methodology (APM) for FQHCs operated by a city of the first class, which is a city with more than one million residents. The APM will provide additional funds to qualified FQHCs that provide a high volume of services to Medical Assistance beneficiaries.

This SPA was approved on July 24, 2019 with an effective date of April 1, 2019. Enclosed are:

1. The CMS Summary Page (CMS-179 form); and
2. The approved State Plan page for PA-19-0010.

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

Sincerely,

Sincerely,

Sabrina
Tillman-boyd -S
for Francis McCullough, Director
Eastern Regional Operations Group

Digitally signed by
Sabrina Tillman-boyd -S
Date: 2019.08.08
02:32:53 -04'00'

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 19-0010	2. STATE Pennsylvania
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
4. PROPOSED EFFECTIVE DATE April 01, 2019	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
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 U.S.C. § 1396a(bb)(6)	7. FEDERAL BUDGET IMPACT a. FFY 2019 \$0 b. FFY 2020 \$14,417,132
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19B, Page 2ca	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) New

10. SUBJECT OF AMENDMENT

Alternative payment methodology to increase funding for FQHCs located in/operated by cities of the first class.

11. GOVERNOR'S REVIEW (*Check One*)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Review and approval authority
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL has been delegated to the Department of Human Services

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 2675 Harrisburg, Pennsylvania 17105-2675
13. TYPED NAME Teresa D. Miller	
14. TITLE Secretary of Human Services	
15. DATE SUBMITTED MAY 15 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED May 15, 2019	18. DATE APPROVED July 24, 2019
-----------------------------------	------------------------------------

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL /s/ for Francis McCullough
21. TYPED NAME Francis McCullough	22. TITLE Director, Eastern Regional Operations Group

23. REMARKS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENTS RATES-OTHER TYPES OF CARE

Alternative Payment Methodology for Public FQHCs Located in a City of the First Class

SERVICE	LIMITATIONS
---------	-------------

c. Public FQHCs Located in a City of the First Class

Effective with dates of service on and after April 1, 2019, through March 31, 2022, the Department pays FQHCs that are located in and operated by a city of the first class and agree to this APM, a Medical Assistance Encounter Rate (MAER) for medical services as determined by the Department as follows. State fiscal year 2016-2017 data is utilized unless otherwise noted. The MAER is determined by dividing the Medicaid portion of the FQHC's total medical costs applicable to FQHC services by the FQHC's number of Medicaid visits. The FQHC's medical costs applicable to FQHC services are identified in the FQHC's Medicaid cost report most recently reviewed and accepted by the Department. The Medicaid portion of costs is determined by applying the FQHC's Medicaid patient percentage to the FQHC's total medical costs applicable to FQHC services. The FQHC's Medicaid patient percentage is calculated as a patient-weighted average Medicaid patient percent for the combined FQHC and FQHC look-alike as identified in the Health Resources & Services Administration (HRSA) 2017 Health Center Profile. The number of Medicaid visits are identified in the Department's MMIS data. A city of the first class is a city with more than one million residents.

The MAER is a rate that is at least equal to the FQHC's provider-specific PPS rate on an encounter basis. For those FQHCs contracting with a Medicaid Managed Care Organization (MCO), the Department will determine whether each Medicaid MCO, at a minimum, reimbursed the FQHC at least 100% of the MAER on a quarterly basis. The Department will provide supplemental payments (wrap payments) to an FQHC in an amount equal to the difference between the MCO's payment and 100% of the MAER multiplied by the number of visits. The Department will make wrap payments on a quarterly basis.

Effective April 1, 2022, the FQHC's payment rate will revert to the PPS rate effective on March 30, 2019.

TN# 19-0010

Supersedes

TN# New

Approval Date: July 24, 2019

Effective Date: April 1, 2019