

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 19-0018

This file contains the following documents in the order listed:

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

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**

October 28, 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 19-0018

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 19-0018. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, this SPA continues the application of a budget adjustment factor (BAF) to rates paid for Medicaid services at county nursing facilities.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 19-0018 effective July 1, 2019. 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

cc:  
Lisa Carroll  
Gary Knight

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER 19-0018	2. STATE Pennsylvania
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2019	

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 447.250	7. FEDERAL BUDGET IMPACT a. FFY 2019      \$ 0 b. FFY 2020      \$ 0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19D, Part Ia, pages 1a and 1b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19D, Part Ia, pages 1a and 1b

10. SUBJECT OF AMENDMENT: Budget Adjustment Factor (BAF) Formula for County Nursing Facilities and Extension of the BAF for Rate Years 2019-2020, 2020-2021 and 2021-2022.

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/	16. RETURN TO  PA Department of Human Services Office of Long-Term Living/Forum Place 6 <sup>th</sup> Fl. Attention: Bureau of Policy Development and Communications Management P.O. Box 8025 Harrisburg, Pennsylvania 17105-8025
13. TYPED NAME  Teresa D. Miller	
14. TITLE  Secretary of Human Services	
15. DATE SUBMITTED  SEP 17 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED  OCT 28 2019
-------------------	--------------------------------------

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL  JUL 01 2019	20. SIGNATURE OF REGIONAL OFFICIAL  /S/
21. TYPED NAME  Kristin Fan	22. TITLE  Director, FMG

23. REMARKS



STATE: COMMONWEALTH OF PENNSYLVANIA

4. For rate setting year 2009-2010 and 2010-2011, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated aggregate increase in the Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the aggregate percentage rate of increase for the period that begins July 1, 2005 and ends on June 30, 2011 is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula for this budget adjustment factor as it applies to county nursing facilities for the 2009-2010 rate year is as follows:  $BAF = 1.00 + 0.01$ . For the rate year beginning July 1, 2009, and ending June 30, 2010, the per diem rate paid to a county nursing facility for an MA resident will be the facility's July 1, 2008 per diem rate calculated in accordance with paragraph 1 above, multiplied by the budget adjustment factor of 1.01.

5. For rate setting year 2011-2012 and 2012-2013, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. For the rate year 2011-2012 and 2012-2013, the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by the applicable budget adjustment factor. The budget adjustment factor for 2011-2012 as it applies to county nursing facilities is 1.0 and the budget adjustment factor for 2012-2013 as it applies to county nursing facilities is 1.0.

6. For rate setting years 2013-2014 through 2015-2016, 2016-2017 through 2018-2019 and 2019-2020 through 2021-2022 the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated by the General Appropriations Acts. The formula

for the budget adjustment factor as it applies to county nursing facilities is as follows:  
BAF = 1.00 + the percentage rate of change permitted by the funds appropriated by the General Appropriations Act for the applicable rate year. For the rate years 2013-2014 through 2015-2016, 2016-2017 through 2018-2019 and 2019-2020 through 2021-2022 the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by the applicable budget adjustment factor.

7. New county nursing facility. The per diem rate paid to a new county nursing facility for an MA resident will be the statewide average of all other county nursing facilities' per diem rates for the same rate setting year as established above.