

Table of Contents

State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 21-0011

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



Financial Management Group

July 14, 2021

Ms. Meg Snead, Acting Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17105-2675

RE: State Plan Amendment 21-0011

Dear Ms. Snead:

We have completed our review of State Plan Amendment (SPA) 21-0011. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA reauthorizes an additional class of DSH payment to facilities providing high volume of services to Medicaid and low-income individuals and an additional class of supplemental payment to hospitals providing Medicaid services to individuals for disease and injury to the eyes.

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 21-0011 effective April 25, 2021. 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,

A solid black rectangular box redacting the signature of the sender.

For

Rory Howe
Acting Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 21-0011	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 April 25, 2021
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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	6. FEDERAL BUDGET IMPACT a. FFY 2020 \$ 0 b. FFY 2021 \$ <u>4,896,621</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19A, Pages 21l and 21ee	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Attachment 4.19A, Pages 21l and 21ee
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10. SUBJECT OF AMENDMENT

Additional Classes of Disproportionate Share Payments and Supplemental Payments to Qualifying Hospitals

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

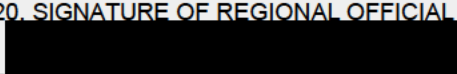
GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Review and approval authority
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL has been delegated to the Department of Human Services

12. SIGNATURE OF REGIONAL OFFICIAL 	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 M. Snead	
14. TITLE Acting Secretary of Human Services	
15. DATE SUBMITTED May 25, 2021	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED May 25, 2021	18. DATE APPROVED July 14, 2021
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL April 25, 2021	20. SIGNATURE OF REGIONAL OFFICIAL  For
21. TYPED NAME Rory Howe	22. TITLE Acting Director, Financial Management Group

23. REMARKS

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services will make disproportionate share hospital (DSH) payments to certain qualifying hospitals that provide a high volume of services to Medical Assistance (MA) eligible and low-income populations to promote the hospitals' continued participation in the MA Program.

A hospital is eligible for this additional class of DSH payments if the hospital is an acute care hospital that meets all criteria listed below.

- a) The hospital is located in a county that exceeds the 96th percentile of the unduplicated number of persons eligible for MA, by county. (January 2010 MA unduplicated eligibility report).
- b) The hospital provides more than 58,000 patient days of service as reported on its Fiscal Year (FY) 2007-2008 MA-336 Hospital Cost Report.
- c) The hospital's ratio of PA MA days to total hospital days is more than 20.0% as reported on its FY 2007-2008 MA-336 Hospital Cost Report.
- d) The hospital's FY 2008 Uncompensated Care percentage of Net Patient Revenue is greater than 2.4%, as reported in the Pennsylvania Health Care Cost Containment Council's FY 2008 Financial Analysis, Volume One, General Acute Care Hospitals.
- e) The hospital's FY 2008 operating margin is less than -3.4%, as reported in the Pennsylvania Health Care Cost Containment Council's FY 2008 Financial Analysis, Volume One, General Acute Care Hospitals.

Payments will be divided proportionately among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to 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. Any funds available due to the application of the hospital-specific DSH upper payment limit will be redistributed to other hospitals qualifying under this additional class of DSH payments on a proportionate basis.

The FY 2020-2021 impact, as a result of the funding allocation for these payments, is \$1.658 million in total funds.

ADDITIONAL CLASS OF SUPPLEMENTAL PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make supplemental payments to qualifying hospitals that provide medical and surgical services for disease and injuries related to the eye to ensure that Medical Assistance (MA) beneficiaries continue to have access to these critical services.

A hospital is eligible for this additional class of supplemental payments if the hospital meets all criteria listed below:

- a) The hospital is enrolled in the MA Program as an acute care general hospital;
- b) The hospital is located in a city of the first class;
- c) The hospital does not qualify as a children's hospital, as defined by 42 CFR 495.302; and,
- d) The hospital has net patient revenue of less than \$30 million for Fiscal Year (FY) 2016-2017 as reflected in the Pennsylvania Health Care Cost Containment Council 2017 financial report.

Payments will be divided proportionately among qualifying hospitals based on the percentage of each qualifying hospital's net patient revenue to total net patient revenue of all qualifying facilities.

For FY 2020-2021, the Department will allocate an annualized amount of \$5.168 million in total funds for these supplemental payments.