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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 21-0036

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

February 2, 2022

M. Snead
Acting Secretary
Pennsylvania Department of Human Services
P.O. Box 2675
Harrisburg, PA 17105

Re: Pennsylvania State Plan Amendment (SPA) 21-0036

Dear Acting Secretary Snead:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-0036. This amendment proposes to amend Attachment 4.22-B of the state plan to reflect Pennsylvania's compliance with the third-party liability requirements of the Bipartisan Budget Act of 2018 and the Medicaid Services Investment and Accountability Act of 2019.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that Pennsylvania Medicaid SPA 21-0036 was approved on February 1, 2022, with an effective date of December 31, 2021.

If you have any questions, please contact Dan Belnap at 215-861-4273 or via email at Dan.Belnap@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of James G. Scott.

James G. Scott, Director
Division of Program Operations

cc: Eve Lickers
Pam Machamer-Peechatka
Lacey Gates
Karen Lowery

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

1. TRANSMITTAL NUMBER

2 1 — 0 0 3 6

2. STATE

PA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

December 31, 2021

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 433.139(b)(3)(ii)(c), 42 CFR 433.139(f)(2) and (f)(3)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-B

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.22-B
Page 1

9. SUBJECT OF AMENDMENT

Amendment to attest to compliance with TPL guidelines enacted as noted in CMCS Informational Bulletin dated 8/27/21.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
M. Snead

13. TITLE
Acting Secretary of Human Services

14. DATE SUBMITTED
December 22, 2021

15. 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 CMS USE ONLY

16. DATE RECEIVED
December 22, 2021

17. DATE APPROVED
February 1, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
December 31, 2021

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS

THIRD-PARTY LIABILITY

The Third-Party Liability (TPL) Program is designed to function primarily as a cost avoidance system.

Pennsylvania complies with the following requirements:

- Social Security Act Section 1902 (a)(25)(E): Applying cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services.
- Social Security Act Section 1902 (a)(25)(E): Making payment without regard to potential third-party liability for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for 90 days.
- Social Security Act Section 1902 (a)(25)(F): Making payment for claims related to child support enforcement beneficiaries without regard to potential third-party liability, if payment has not been made by the third party within 100 days after the provider submitted a claim to the third party, except that Pennsylvania may make such payment within 30 days after such date if it determines doing so is cost-effective and necessary to ensure access to care.

Threshold amount or other guidelines used to seek recovery (42 CFR 433.139(f)(2)):

The Department will seek recovery unless the agency determines that the recovery will not be cost effective. The agency uses the threshold amount of \$50 as a guideline in its attempts to recover from liable third parties for health insurance. This \$50 guideline is used in consideration with other factors, such as expense and difficulty of recovery, in deciding whether to pursue recoveries in the range of smaller dollar expenditures (less than \$50). The threshold amount of \$250 is used to determine the recovery of funds for casualty claims. The threshold amount may be waived when the agency deems it to be economically and administratively feasible to collect less than the stated amounts. The threshold amount is based on effectiveness with normal effort for the recovery of funds. Should it be determined that a recovery effort would be cost effective, then attempts are made for recovery of amounts below the threshold levels.

Reimbursement recovery threshold (42 CFR 433.139 (f)(3)):

The Department accumulates claims for six months in an attempt to reach the threshold. The threshold for casualty claims is \$250 and \$50 for health insurance claims.