

## **Table of Contents**

**State/Territory Name: PA**

**State Plan Amendment (SPA) #: 22-0014**

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  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

July 19, 2022

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

Reference: TN 22-0014

Dear Ms. Snead:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0014. This amendment proposes to continue the funding of multiple classes of inpatient disproportionate share hospital (DSH) payments and an additional class of supplemental payments to Medical Assistance enrolled, qualifying inpatient acute care general hospitals.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment PA 22-0014 is approved effective May 8, 2022. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Kristina Mack-Webb at 1-617-565-1225 or [Kristina.Mack-Webb@cms.hhs.gov](mailto:Kristina.Mack-Webb@cms.hhs.gov).

Sincerely,

Rory Howe  
Director

Enclosures

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

1. TRANSMITTAL NUMBER <u>2 2 — 0 0 1 4</u>	2. STATE <u>PA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>May 8, 2022</b>
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5. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR 447 Subpart C</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2022</u> \$ <u>40,133,456</u> b. FFY <u>2023</u> \$ <u>0</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19A, Pages 27aaa, 27aaaa and 21ll</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19A, Pages 27aaa, 27aaaa and 21ll</b>
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9. SUBJECT OF AMENDMENT  
**Additional Classes of Disproportionate Share and Supplemental Payments to Qualifying Hospitals**

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  _____	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
12. TYPED NAME <b>M. Snead</b>	
13. TITLE <b>Acting Secretary of Human Services</b>	
14. DATE SUBMITTED <b>May 9, 2022</b>	

**FOR CMS USE ONLY**

16. DATE RECEIVED <b>May 9, 2022</b>	17. DATE APPROVED <b>July 19, 2022</b>
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL <b>May 8, 2022</b>	19. SIGNATURE OF APPROVING OFFICIAL  _____
20. TYPED NAME OF APPROVING OFFICIAL <b>Rory Howe</b>	21. TITLE OF APPROVING OFFICIAL <b>Director, Financial Management Group</b>

22. REMARKS

**ADDITIONAL CLASS OF SUPPLEMENTAL PAYMENTS TO QUALIFYING HOSPITALS**

The Department of Human Services (Department) will make supplemental payments to qualifying acute care hospitals that treat a high percentage of Medical Assistance (MA) patients under the age of 18. These payments will enable the continuation of quality medical services for children enrolled in the MA program.

A hospital is eligible for this additional class of supplemental payments if the hospital meets all the criteria below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2016-2017 MA-336 Hospital Cost Report, as available to the Department on October 29, 2019.

- a) The hospital is enrolled in the Pennsylvania MA Program as an acute care hospital, licensed by Pennsylvania's Department of Health (DOH);
- b) The hospital provides acute inpatient services to patient populations predominately under the age or 18. A hospital's patient population is predominately under the age of 18 if the hospital's number of discharges for "0-17 Years" is greater than 50% of the hospitals number of "Total" discharges. Discharges are determined from the calendar year 2019 Pennsylvania DOH Reports 3-A and 3-B;
- c) The hospital is located in a city of the first class; and,
- d) The hospital's ratio of combined MA acute care fee-for-service (FFS) and managed care days to total inpatient acute care days exceeds 70%.

Payments will be divided proportionately among qualified hospitals based on each hospital's FFS Pennsylvania MA inpatient acute care days to total FFS Pennsylvania MA inpatient acute care days for all qualifying hospitals.

Supplemental payments are subject to the regulations at 42 CFR 447.272 and the application of upper payment limits for inpatient services.

For FY 2021-2022, the Department will allocate an annualized amount of \$40.163 million in total funds (State and Federal) for these supplemental payments.

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

The Department of Human Services will make disproportionate share hospital (DSH) payments to qualifying hospitals to promote additional access to inpatient and ancillary outpatient services and to support academic medical programs for integrated patient centered medical services.

A hospital is eligible for this additional class of DSH payments if the hospital meets all criteria listed below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2010-2011 MA-336 Hospital Cost Report.

- a) The hospital is enrolled in the Pennsylvania (PA) Medical Assistance (MA) Program as a general acute care hospital.
- b) The hospital is ranked at or above the 92<sup>nd</sup> percentile of all acute care hospitals on the total acute care inpatient days provided to MA beneficiaries.
- c) The hospital is ranked at or above the 94<sup>th</sup> percentile of all acute care hospitals on net PA MA Outpatient Revenues.
- d) The hospital is accredited as an Adult Level I Trauma Center and a Pediatric Level I Trauma Center according to the Pennsylvania Trauma Systems Foundation's *2012 Annual Report*.
- e) The hospital is part of an academic medical center that includes a regional medical campus in a county of the fourth class.

Payments will be divided proportionally among all qualifying hospitals based on each hospital's total MA acute care inpatient days to total MA acute care inpatient days for all qualified hospitals. 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 disproportionate share payments on a proportionate basis.

The FY 2021-2022 impact, as a result of the funding allocation for these payments, is \$9.510 million in total funds.

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

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to qualifying acute care general hospitals to promote the availability of professional medical services to the Medical Assistance (MA) population in less urbanized areas of the Commonwealth.

A hospital is eligible for this additional class of DSH payments if the hospital meets all criteria listed below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2010-2011 MA-336 Hospital Cost Report.

- 1) The hospital is enrolled in the Pennsylvania (PA) MA Program as an acute care general hospital.
- 2) The hospital is located in a county of the third class with a population between 279,000 and 282,000 under the 2010 federal decennial census.
- 3) The hospital's PA MA Fee-for-Service Medical Education costs exceed \$500,000.

Payments to qualifying hospitals will be divided equally among all qualifying hospitals. 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 2021-2022 impact, as a result of the funding allocation for these payments, is \$5.917 million in total funds.