

## **Table of Contents**

**State/Territory Name: PA**

**State Plan Amendment (SPA) #: 22-0033**

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**

January 23, 2023

M. Snead  
Acting Secretary of Human Services  
PA Department of Human Services  
Attn: Bureau of Policy Development and Communications Management  
P.O. Box 8025  
Harrisburg, PA 17105-8025

Reference: TN 22-0033

Dear Acting Secretary of Human Services:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0033. This amendment proposes to continue DSH payments to Medical Assistance enrolled and qualifying trauma centers. Additionally, it's updating the qualifying criteria and payment methodology to clarify how new accredited trauma centers and hospitals seeking trauma center accreditation can qualify and be paid.

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-22-0033 is approved effective December 11, 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 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

2 2 — 0 0 3 3

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 11, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 9,377,333  
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19A, Page 21c

9. SUBJECT OF AMENDMENT

Disproportionate Share Hospital Payments for Trauma Services

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 16, 2022

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 16, 2022

17. DATE APPROVED  
January 23, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, Financial Management Group

22. REMARKS

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE HOSPITAL PAYMENTS FOR TRAUMA SERVICES

The Department of Human Services (Department) will make a disproportionate share hospital (DSH) payment ("Trauma DSH payment") to hospitals that qualify as a trauma center for the purpose of improving access to readily available and coordinated trauma care for the citizens of Pennsylvania.

Unless otherwise stated, the source of information for this payment is the most recent available Pennsylvania Trauma Outcome Study (PTOS) prepared by the Pennsylvania Trauma Systems Foundation (Foundation). For purposes of calculating the hospital-specific portion of the payment, the Department shall count all medical assistance days, uninsured PTOS trauma visits and patient days, irrespective of the home state of the patient. To determine eligibility for newly accredited trauma centers and hospitals seeking trauma center accreditation for which PTOS data is not available, the Department will use Pennsylvania Health Care Cost Containment Council claims data from the same period as the PTOS report.

A hospital shall qualify as a trauma center ("qualified trauma center") if it meets one of the following criteria below:

- 1) Is located in Pennsylvania and is accredited by the Foundation as a Level I, Level II, or Level III trauma center;
- 2) Is located in Pennsylvania and has submitted an application to the Foundation seeking Level III accreditation and has documented evidence or progression towards accreditation and achievement of benchmarks as verified and established by the Foundation in collaboration with the Department for up to four years. In addition to the established standards, a hospital applying for Level III certification qualifies as a Level III trauma center if it meets all the following criteria:
  - a. Provides comprehensive emergency services;
  - b. Has at least 4,000 inpatient admissions from its emergency department on an annual basis;
  - c. Is located in a county of the third, fourth, fifth, sixth, seventh, or eighth class; and,
  - d. Is located more than 25 miles travel distance from a Level I, Level II or Level III trauma center unless the hospital can demonstrate that other trauma centers in the catchment area have a volume of excess cases which is twice the amount needed for reaccreditation for the three preceding years.
- 3) Is located in a rural county of Pennsylvania, as defined by the Center for Rural Pennsylvania, and is accredited by the Foundation as a Level IV trauma center; or,
- 4) Is an "out-of-state trauma center" for purposes of eligibility for this additional class of DSH payment. The term out-of-state qualified trauma center means West Virginia University Hospital, or an out-of-state trauma center that meets all of the following requirements:
  - a. Is accredited as a Level I or Level II trauma center by the Foundation; or has obtained verification from the American College of Surgeons as a Level I or Level II trauma center; and is formally designated as a Level I or Level II trauma center by its home state;
  - b. Pays to the Foundation the annual participation fee the out-of-state hospital would be charged were it accredited by the Foundation as a Level I or Level II trauma center; and
  - c. Annually discharges more than 30 trauma patients under the PTOS for 2 of the preceding 4 years.

Out-of-state qualified trauma centers shall submit to the Foundation on an annual basis both:

- (i) a copy of the clinical patient data the hospital submits to the National Trauma Database regarding Pennsylvania residents who receive trauma services from the hospital; and,
- (ii) the total and Pennsylvania resident-specific number of PTOS trauma visits and patient days for individuals who are Medical Assistance beneficiaries and those who are uninsured. The definition of what constitutes a PTOS trauma case shall be the same for both Pennsylvania and out-of-state hospitals.

The Department may use any funds available for Trauma DSH payments to make Trauma DSH payments to eligible out-of-state hospitals. The Department will make Trauma DSH payments to qualified trauma centers using the following payment methodology: For newly accredited trauma centers and hospitals seeking trauma center accreditation, the Department will calculate partial year payments using the number of trauma cases and patient days reflecting the hospital's months of accreditation, or months in which it was seeking accreditation during the fiscal year.

- 1) 90% of the total available funds will be paid to hospitals with qualified Level I and Level II trauma centers, including out-of-state qualified trauma centers as follows:
  - a. 50% of the amount available for Level I and Level II trauma centers will be distributed equally among Level I and Level II trauma centers.
  - b. 50% of the total amount available for Level I and Level II trauma centers will be distributed on the basis of each qualified trauma center's percentage of MA and uninsured PTOS trauma visits and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma visits and patient days for Level I and Level II trauma centers.
- 2) 10% of the total available funds will be paid to hospitals with qualified Level III trauma centers and qualified trauma centers seeking accreditation as Level III as follows:
  - a. 50% of the amount available for Level III trauma centers will be distributed equally among Level III trauma centers.
  - b. 50% of the total amount available for Level III trauma centers will be distributed on the basis of each trauma center's percentage of MA and uninsured PTOS trauma cases and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma cases and patient days for Level III trauma centers.
  - c. Payment to each qualifying Level III trauma center may not be greater than 50% of the average statewide annual payment to a Level I or Level II trauma center.
- 3) Funds not distributed to Level I, II, or III qualified trauma centers will be paid to hospitals with qualified Level IV trauma center as follows:
  - a. 50% of the amount available for Level IV trauma centers will be distributed equally among Level IV trauma centers.
  - b. 50% of the total amount available for Level IV trauma centers will be distributed on the basis of each trauma center's percentage of MA and uninsured PTOS trauma cases and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma cases and patient days for Level IV trauma centers.
  - c. Payment to each qualifying Level IV trauma center may not be greater than 50% of the average statewide annual payment to a Level I or Level II trauma center.
- 4) Funds unspent after distribution to Level IV qualified trauma centers will be paid to hospitals with qualified Level I and Level II trauma centers as follows:
  - a. 50% of unspent funds shall be distributed equally among qualified Level I and Level II trauma centers.
  - b. 50% of the unspent funds shall be distributed on the basis of each qualified Level I or Level II trauma center's percentage of MA and uninsured PTOS trauma cases and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma cases and patient days for Level I and Level II trauma centers.

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 Fiscal Year 2022-2023 impact, as a result of the funding allocation for these payments, is \$18.034 million in total funds.