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State/Territory Name: PA

State Plan Amendment (SPA) #: 22-0034

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



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 22-0034

Dear Acting Secretary of Human Services:

We have reviewed the proposed amendment to Attachment 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 22-0034. This amendment proposes to amend qualifying criteria and payment methodology for DSH and outpatient hospitals for Medical Assistance and qualifying emergency departments in 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-22-0034 is approved effective December 4, 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.

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 4

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 4, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21w
Attachment 4.19B, Page 4a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19A, Page 21w
Attachment 4.19B, Page 4a

9. SUBJECT OF AMENDMENT

Additional Classes of Disproportionate Share Payments 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

12. TYPED NAME
M. Snead

13. TITLE
Acting Secretary of Human Services

14. DATE SUBMITTED
December 12, 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 12, 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

DISPROPORTIONATE SHARE HOSPITAL PAYMENT FOR ENHANCED ACCESS TO EMERGENCY SERVICES

(1) The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to hospitals that meet all of the following criteria:

- (a) Is an acute care general hospital that operates an emergency department.
- (b) Is located in Philadelphia.
- (c) Provides at least 1,000 emergency department visits to Pennsylvania (PA) Medical Assistance (MA) patients per year according to Fiscal Year (FY) 2008-2009 PA Department of Health Reports 1-A, 1-B and 4.
- (d) Is not eligible for a DSH payment for enhanced access to multiple types of medical care in economically distressed areas of PA as specified on page 21a of Attachment 4.19A.
- (e) Does not furnish acute care inpatient services to patients who are predominantly under the age of 18.
- (f) Did not exceed its Medicaid hospital-specific DSH limit for state plan rate year 2011 as calculated by the Department as of December 31, 2014.

(2) For each qualifying hospital, annual payment amounts will be determined as follows utilizing hospital data from FY 2009-2010 unless otherwise specified:

- (a) The Department will calculate an annual payment amount to qualified hospitals in the lower of the following amounts:
 - (i) The ratio of the hospital's MA Title XIX fee-for-service inpatient revenue to the total MA Title XIX fee-for-service inpatient revenue for all qualified hospitals multiplied by the amount of funds allocated by the Department for these payments. For this calculation data will come from the hospitals' FY 2011-2012 MA hospital cost reports.
 - (ii) 2.91% of the hospital's net patient revenue as determined using net patient revenue as reported within "Revenue Reporting Form from Hospital Assessment" on file with the Department.
- (b) If, after calculating the payment amounts in (2)(a), funds remain from the total funds allocated in the FY for these payments, the Department will increase the payment amount of a qualified hospital for which payment was authorized under (a)(i) by an amount equal to the ratio of the hospital's FY 2011-12 MA Title XIX fee-for-service inpatient revenue to the total FY 2011-2012 MA Title XIX fee-for-service inpatient revenue of all qualified hospitals for which payment was calculated under (a)(i) multiplied by the funds remaining from the total funds allocated in the FY. The total payments made to a qualified hospital pursuant to (2)(a) and (b) shall not exceed 2.91% of the hospital's net patient revenue as determined using net patient revenue as reported within "Revenue Reporting Form from Hospital Assessment" on file with the Department.

For FY 2014-2015, the Department will allocate \$71.426 million for this payment. Beginning with FY 2015-2016, the Department will allocate an annualized amount of \$142.853 million for this payment.

EMERGENCY DEPARTMENT AND OUTPATIENT ACCESS PAYMENTS

(1) The Department will make additional outpatient payments to hospitals that meet all of the following criteria:

- (a) Is an acute care general hospital that operates an emergency department.
- (b) Is located in Philadelphia.
- (c) Provides at least 1,000 emergency department visits to Pennsylvania (PA) Medical Assistance (MA) patients per year according to Fiscal Year (FY) 2008-2009 PA Department of Health Reports 1-A, 1-B and 4.
- (d) Is not eligible for a disproportionate share payment for enhanced access to multiple types of medical care in economically distressed areas of PA as specified on page 21a of Attachment 4.19A.
- (e) Does not furnish acute care inpatient services to patients who are predominantly under the age of 18.
- (f) Is not eligible to receive a disproportionate share payment for enhanced access to emergency services as specified on page 21w of Attachment 4.19A of the current state plan.

(2) For each qualifying hospital, annual payment amounts will be determined as follows utilizing hospital data from FY 2009-2010 unless otherwise specified:

- (a) The Department will calculate an annual payment to qualified hospitals in the lower of the following amounts:
 - (i) The ratio of the hospital's PA MA fee-for-service outpatient revenue to the total PA MA fee-for-service outpatient revenue for all qualified hospitals multiplied by the amount of funds allocated by the Department for these payments.
 - (ii) 2.91% of the hospital's net patient revenue as determined using net patient revenue as reported withing "Revenue Reporting Form from Hospital Assessment" on file with the Department.
- (b) If, after calculating the payment amounts in (2)(a), funds remain from the total funds allocated in the FY for these payments, the Department will increase the payment amount of a qualified hospital for which payment was authorized under (a)(i) by an amount equal to the ratio of the hospital's PA MA fee-for-service outpatient revenue to the total PA MA fee-for-service outpatient revenue of all qualified hospitals for which payment was calculated under (a)(i) multiplied by the funds remaining from the total funds allocated in the FY.
- (c) The total payments made to a qualified hospital pursuant to (2)(a) and (b) shall not exceed the lower of:
 - (i) The payment amount permitted by the hospital's OBRA 93 hospital-specific limit
 - (ii) 2.91% of the hospital's net patient revenue as determined using net patient revenue as reported within "Revenue Reporting Form from Hospital Assessment" on file with the Department.

For FY 2014-2015, the Department will allocate \$89.478 million for this payment. Beginning with FY 2015-2016, the Department will allocate an annualized amount of \$18.051 million for this payment. The Medicaid base and supplemental outpatient hospital payments in total may not exceed the Upper Payment Limit defined on page 4aa of Attachment 4.19B.