

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: COMMONWEALTH OF PENNSYLVANIA  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

ATTACHMENT 4.19A  
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- (ii) Of the amount available for distribution for rural hospitals, 10% will be distributed to qualified rural hospitals with neonatal intensive-care cases for PA MA beneficiaries using the following formula:
- (A) For each hospital, determine the ratio of the hospital's neonatal intensive-care cases for PA MA beneficiaries to all neonatal intensive-care cases for the hospital.
  - (B) For each hospital multiply: the ratio under clause (A) by the number of the hospital's neonatal intensive-care cases for PA MA beneficiaries.
  - (C) Add the products under clause (B) for all hospitals.
  - (D) Divide the amount available for distribution to rural hospitals by the sum under clause (C).
  - (E) Multiply the quotient under clause (D) by the product under clause (B).
  - (F) For rural hospitals located in counties whose ratio of MA eligible persons to total county population exceeds one standard deviation above the mean for all rural counties, but is less than 1.3 standard deviations above the mean for all rural counties, multiply the product in clause (E) by 1.50. For rural hospitals located in counties whose ratio of MA eligible persons to total county population is equal to or greater than 1.3 standard deviations above the mean for all rural counties, but less than 1.6 standard deviations above the mean for all rural counties, multiply the product in clause (E) by 1.75. For rural hospitals located in counties whose ratio of MA eligible persons to total county population is equal to or greater than 1.6 standard deviations above the mean for all rural counties, multiply the product in clause (E) by 2.0.
- (iii) 15% of the funds available for rural hospitals will be distributed equally among qualified rural hospitals with obstetrical cases for PA MA beneficiaries.
- (iv) To ensure that payments do not exceed available funds, the Department will adjust payments to each hospital using the following formula:
- (A) The calculated total amount of payments for each hospital under steps (i), (ii), and (iii) in this section is divided by the total calculated amount for all hospitals to obtain a percentage, which is a ratio of each hospital's respective share of the calculated amount.
  - (B) The resulting percentage for each hospital in clause (A) is multiplied by the total available funds to obtain a proportional payment for each hospital.
- (b) 85% of the total amount available will be paid to qualified nonrural hospitals as follows:
- (i) Of the eighty-five percent, 52.5% will be distributed to qualified nonrural hospitals with obstetrical cases for PA MA beneficiaries using the following formula:
- (A) For each hospital, determine the ratio of the hospital's obstetrical cases for PA MA beneficiaries to all obstetrical cases for the hospital.
  - (B) For each hospital, multiply the ratio under clause (A) by the number of the hospital's obstetrical cases for PA MA beneficiaries.
  - (C) Add the products under clause (B) for all hospitals.
  - (D) Divide the amount available for distribution to nonrural hospitals by the sum under clause (C).
  - (E) Multiply the quotient under clause (D) by the product under clause (B).
- (ii) Of the amount available for distribution to nonrural hospitals, 32.5% will be distributed to qualified nonrural hospitals with neonatal intensive-care cases for PA MA beneficiaries using the following formula:
- (A) For each hospital, determine the ratio of the hospital's neonatal intensive-care cases for PA MA beneficiaries to all neonatal intensive-care cases for the hospital.
  - (B) For each hospital, multiply the ratio under clause (A) by the number of the hospital's neonatal intensive-care cases for PA MA beneficiaries.
  - (C) Add the products under clause (B) for all hospitals.
  - (D) Divide the 32.5% by the sum under clause (C).
  - (E) Multiply the quotient under clause (D) by the product under clause (B).
- (iii) Of the amount available for distribution to nonrural hospitals, 15% will be distributed equally among qualified nonrural hospitals with obstetrical cases for PA MA beneficiaries.

For Fiscal Year 2012-2013 the fiscal impact of this additional class of DSH payments shall not exceed \$8.051 (\$3.681 million in State General Funds and \$4.370 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).

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