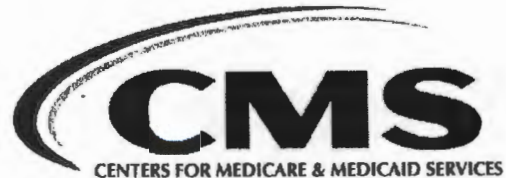


DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services (CMCS)**

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Mr. Gary Alexander, Secretary  
Commonwealth of Pennsylvania  
Department of Public Welfare  
Office of Medical Assistance Programs  
PO Box 8046  
Harrisburg, PA 17105

**DEC -6 2012**

RE: State Plan Amendment 12-038

Dear Mr. Alexander:

We have completed our review of State Plan Amendment (SPA) 12-038. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues disproportionate share hospital payments to hospitals that incur significant uncompensated care costs and that provide a high volume of acute care and psychiatric services to Medical Assistance individuals.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 12-038 effective October 1, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

A black rectangular box redacting the signature of Cindy Mann.

Cindy Mann  
Director, CMCS

Enclosures