

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



AUG 19 2013

Ms. Beverly D. Mackereth, Acting Secretary
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
PO Box 8046
Harrisburg, PA 17105

RE: State Plan Amendment 13-011

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 13-011. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for disproportionate share hospital payments to certain acute care hospitals that further Pennsylvania's goal of enhanced access in economically distressed areas.

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 13-011 effective June 30, 2013. 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,

Cindy Mann
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

1. TRANSMITTAL NUMBER:
13-011

2. STATE
Pennsylvania

**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)**
Title XIX

4. PROPOSED EFFECTIVE DATE
June 30, 2013

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2012 \$0.00
b. FFY 2013 \$2,374,000.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19A, Page 27aa

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):**
Attachment 4.19A, Page 27aa

10. SUBJECT OF AMENDMENT:
TCMC/Pocono DSH Fiscal Years 2012-2013

11. 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:
Review and approval authority has
been delegated to the Department of
Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPE:
Beverly D. Mackereth

14. TITLE:
Secretary of Public Welfare

15. DATE SUBMITTED: June 28, 2013

16. RETURN TO:
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Budget and Planning
P.O. Box 8046
Harrisburg, Pennsylvania 17105

17. DATE RECEIVED:

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:
AUG 19 2013

19. EFFECTIVE DATE OF APPROVED MATERIAL:

PLAN APPROVED - ONE COPY ATTACHED

21. TYPED NAME:

Penny Thompson

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE:
Deputy Director, Policy & Financial Mgt, CHES

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

The Department of Public Welfare (Department) will make payments to certain Medical Assistance (MA) acute care general hospitals to ensure their participation in the MA program. This payment is intended to promote access to inpatient hospital specialty services for MA eligible persons in less urbanized areas of the Commonwealth. These funds will be used to support the medical education and operation of an academic medical program, which will foster the supply of health care professionals to treat the MA population.

The Department will determine a hospital eligible for this additional class of disproportionate share payments if the hospital meets all of the criteria listed below.

- a) The hospital is enrolled in the Medical Assistance Program as a general acute care hospital and is licensed to provide inpatient obstetrical and neonatal services as reported by the Pennsylvania Department of Health for the period July 1, 2010 through June 30, 2011.
- b) Effective October 1, 2012, the hospital is accredited as a Level III Trauma Center by the Pennsylvania Trauma Systems Foundation.
- c) The hospital provides a minimum of 50,000 total hospital inpatient days of care, of which more than 7,500 are for MA inpatient days of care based on the hospital's MA Cost Report (MA 336) for State Fiscal Year 2009-2010.
- d) The hospital's ratio of uncompensated care to net patient revenue exceeds 4.4%, based on the Pennsylvania Health Care Cost Containment Council's (PHC4) *Financial Analysis 2011, Volume One*.

For FY 2012-2013, the Department will allocate \$4.374 million (\$2.000 million in State General funds and \$2.374 million in Federal funds) for this additional class of disproportionate share payments. Payments will be divided proportionally among all qualifying hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualifying hospitals. In making these payments, the Department will ensure that no general acute care hospital will receive any DSH payment that is in excess of its hospital specific DSH upper limit and the Commonwealth will not exceed its aggregate annual DSH allotment.

TN# 13-011
Supersedes
TN# New

Approval Date AUG 19 2013

Effective Date: June 30, 2013