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



DEC 13 2013

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

RE: State Plan Amendment 13-013

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 13-013. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment establishes a supplemental payment to acute care general hospitals in Pennsylvania that provide a substantial portion of their inpatient services to Medicaid patients.

We conducted our review of this SPA 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 (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 13-013 effective September 15, 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,

Čindy Mann Director

	2. STATE
	Pennsylvania
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
4. PROPOSED EFFECTIVE DATE	
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September 15, 2	013
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7. FEDERAL BUDGET IMPACT:	
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: COMMONWEALTH OF PENNSYLVANIA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

SUPPLEMENTAL PAYMENTS FOR MEDICAL ASSISTANCE RELIANT HOSPITALS

The Department provides additional funding to hospitals enrolled in Pennsylvania (PA) Medical Assistance (MA) as an acute care general hospital that provide a substantial portion of their inpatient services to PA MA patients. To qualify for the supplemental payments, an acute care general hospital must provide at least 80% of its inpatient days of care (both Fee-For-Service and Managed Care) to PA MA patients as evidenced by the hospitals Fiscal Year (FY) 2009-2010 MA cost report (MA 336).

A qualifying hospital's payment is determined by dividing the hospital's PA MA inpatient days of care (both Fee-for-Service and Managed Care) as specified in its FY 2009-2010 MA cost report to the total PA MA inpatient days for all qualifying hospitals to establish the hospital proportional payment percentage. The hospital's proportional payment percentage is then multiplied by the funds appropriated for these payments to establish the hospital's allocation amount for the fiscal year (FY).

For FY 2013-2014 the amount allocated to these payments is \$300,000 (\$139,440 in State General Funds and \$160,560 in Federal Funds upon approval by the Centers for Medicare and Medicaid Services (CMS)).

TN# <u>13-013</u>				
Supersedes		DEC 13 2013		
TN# <u>NEW</u>	Approval Date	, 0 2010	_ Effective Date:	September 15, 2013