

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



NOV 07 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 13-014

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 13-014. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for Medicaid pay-for-performance (P4P) payments to county nursing facilities.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 13-014 effective July 1, 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**

1. TRANSMITTAL NUMBER:
13-014

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE
July 1, 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 447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 \$ 872,788

b. FFY 2014 \$2,618,362

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D, Part Ia, pages 4 and 5

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19D, Part Ia, pages 4 and 5

10. SUBJECT OF AMENDMENT:

Extension of Pay for Performance Incentive (P4P) payments to qualifying county nursing facilities for SFY 2013-2014.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Beverly D. Mackereth

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

SEP 10 2013

16. RETURN TO:

PA Department of Public Welfare

Office of Long-Term Living

Attention: Bureau of Policy and Regulatory Management

P.O. Box 8025

Harrisburg, Pennsylvania 17105-8025

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

NOV 07 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 01 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director Policy & Financial Mgt. PMS

23. REMARKS:

STATE: COMMONWEALTH OF PENNSYLVANIA

d. These payments will be made annually within 120 days after the submission of an acceptable MA cost report provided that in no case will payment be made before 210 days of the close of the county nursing facility fiscal year.

e. For the period July 1, 2005 to June 30, 2009, the disproportionate share incentive payment to qualified county nursing facilities shall be increased to equal two times the disproportionate share per diem incentive calculated in accordance with subparagraph c.

(i) For the period commencing July 1, 2005 through June 30, 2006, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2005.

(ii) For the period commencing July 1, 2006 through June 30, 2007, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2006.

(iii) For the period commencing July 1, 2007 through June 30, 2008, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2007.

(iv) For the period commencing July 1, 2008 through June 30, 2009, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2008.

3. Pay for Performance Incentive Payment

For Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014 pay for performance incentive payments will be made to qualifying county nursing facilities each quarter based on the following:

(i) *Qualifying criteria.* A county nursing facility will qualify for the pay for performance incentive if both of the following criteria are met:

STATE: COMMONWEALTH OF PENNSYLVANIA

(A) The facility is a county nursing facility at the time of payment.

(B) The facility's MA case mix index (CMI) for the picture date is higher than its facility MA CMI for the previous picture date.

Pay for Performance
Payment Period

Picture Date

Previous
Picture Date

July 1 - September 30
October 1 - December 31
January 1 - March 31
April 1 - June 30

August 1
November 1
February 1
May 1

May 1
August 1
November 1
February 1

(ii) *Payment formula.* The total quarterly funds available for the pay for performance incentive payment is divided by the total MA days for all county nursing facilities meeting the qualifying criteria. The MA days used for each county nursing facility will be the paid MA days identified on the most recent PROMISE data file used to determine eligibility for disproportionate share payments.

(iii) The total quarterly funds available for each quarter of FYs 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014 are \$1,625,000 per quarter.

(iv) For pay for performance payment periods beginning on or after July 1, 2010, in determining whether a county nursing facility qualifies for a quarterly pay for performance incentive payment, the facility's MA CMI for a picture date will equal the arithmetic mean of the individual CMIs for MA residents identified in the facility's CMI report for the picture date. An MA resident's CMI will be calculated using the RUG-III version 5.12 44 group values as set forth in Appendix A to Chapter 1187 (relating to nursing facility services) and the most recent classifiable assessment of any type.