



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 13-018

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 13-018. 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 13-018 effective June 23, 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:
13-018

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE

June 23, 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 \$8,142,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 21a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 21a

10. SUBJECT OF AMENDMENT:

Additional Class of Disproportionate Share Payments

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. TYPED NAME:

Beverly D. Mackereth

14. TITLE:

Acting Secretary of Public Welfare

15. DATE SUBMITTED:

JUN 21 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 APPROVAL:

JUN 23 2013

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt, PMS

23. REMARKS:

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

Effective October 1, 2000, the Department established an additional class of disproportionate share (DSH) payments to certain qualifying hospitals, which the Department determined advanced the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

The Department intends to consider a hospital eligible, provided it is an acute care general hospital that meets all of the following criteria:

- (a) The hospital provides in excess of 100,000 inpatient days to Medical Assistance (MA) eligible individuals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);
- (b) The hospital has a Low-Income Utilization Rate in excess of the 95th percentile of the Low-Income Utilization Rate for all enrolled acute care general hospitals as reported on its Fiscal Year 2004-2005 MA Hospital Cost Report (MA 336);
- (c) The hospital's ratio of MA revenue to net patient revenue exceeds the 98th percentile for all Commonwealth acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (d) The dollar value of the hospital's uncompensated care equals or exceeds the 94th percentile of the value to uncompensated care for all acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (e) The hospital is located in a Census tract designated by the Bureau of Primary Health Care of the Health Resource and Services Administration as a Medically Underserved Area.

For Fiscal Year 2012-2013, the fiscal impact as a result of these payments is \$15.000 million in total funds (\$6.858 million in State General Funds).

Payments will be divided proportionally among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to the total MA inpatient days of all qualifying facilities.

All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit.

TN# 13-018

Supersedes

TN# 12-033

Approval Date: AUG 19 2013

Effective Date: June 23, 2013