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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-14-009

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

APR 16 2014

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 14-009

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 14-009. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues enhanced payment to certain academic medical centers.

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 14-009 effective January 5, 2014. 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,

/s/

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:
14-009

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
January 5, 2014

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 2013 \$0.00
b. FFY 2014 \$13,047,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 27a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 27a

10. SUBJECT OF AMENDMENT:
Additional Payments to Certain Academic Medical Centers

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:

/s/

13. TYPED NAME:
Beverly D. Mackereth

14. TITLE:
Secretary of Public Welfare

15. DATE SUBMITTED: FEB - 7 2014

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Budget and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17110

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

APR 16 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JAN 05 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy + Financial Mgt. PMCS

23. REMARKS:

ADDITIONAL PAYMENTS TO CERTAIN ACADEMIC MEDICAL CENTERS

Effective September 30, 2007, the Department will increase payments to certain academic medical centers to assure that the critical services they provide to the Medical Assistance population will continue. These payments are also intended to help offset the Medical Assistance share of the medical education costs incurred by these hospitals to assure the continued availability of professional medical services to the Medical Assistance population.

To qualify for these payments, the academic medical center must meet the following criteria as documented on the hospitals' Fiscal Year (FY) 2002-2003 Medical Assistance cost reports:

1. Have total medical education costs of at least \$25 million.
2. Have Pennsylvania Medical Assistance Education costs of at least \$1.5 million; and
3. Provide over 50,000 Pennsylvania Medical Assistance days of care or have less than 500 set-up and staffed beds.

The Department will distribute payments to qualifying hospitals based on the hospitals' FY 2002-2003 Medical Assistance cost reports as follows:

1. 47.191453% of available funding to a large hospital, defined as having 750 set up and staffed beds; and
2. 26.4042735% of available funding to each of the other qualifying hospitals.
3. To ensure that payments do not exceed available funds, the Department will adjust payments to each hospital using the following formula:
 - a. The calculated total amount of payments for each hospital under steps (1) and (2) in this section is divided by the total calculated amount for all hospitals to obtain a percentage, which is a ratio of each hospital's respective share of the calculated amount.
 - b. The resulting percentage for each hospital in clause (a) is multiplied by the total available funds to obtain a proportional payment for each hospital.

For FY 2013-2014, the fiscal impact as a result of this payment program is \$24.378 million (\$11.331 million in State General Funds and \$13.047 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).