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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-14-022

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

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



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

SEP 03 2014

RE: State Plan Amendment 14-022

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 14-022. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, this SPA establishes an additional DSH payment adjustment to qualifying hospitals to promote access in less urbanized areas of Pennsylvania.

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 14-022 effective April 27, 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/

Gary Knight
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-022	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 April 27, 2014	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> 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 \$575,731	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 24 + 24aaa		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):	
10. SUBJECT OF AMENDMENT: Additional Class of Disproportionate Share Payments to Certain Acute Care Hospitals			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> 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		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	
14. TITLE: Secretary of Public Welfare			
15. DATE SUBMITTED: JUN 10 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: SEP 03 2014	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 27 2014		20. SIGNATURE OF REGIONAL OFFICIAL: /S/	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy Financial Mgt. CMES	
23. REMARKS:			

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO CERTAIN DSH HOSPITALS

The Department will make an additional class of disproportionate share hospital (DSH) payments to certain qualifying acute care general hospitals. This payment is intended to promote the availability of professional medical services to the MA population in less urbanized areas of the Commonwealth.

To qualify for these payments, a hospital must meet all the following criteria. Unless otherwise stated, the source of the information is the State Fiscal Year 2010-2011 MA cost report (MA-336).

- 1) The hospital is enrolled in Pennsylvania's (PA) MA Program as an acute care general hospital.
- 2) The hospital is located in a county of the third class with a population between 279,000 and 282,000 under the 2010 federal decennial census.
- 3) The hospital's PA MA Fee-for-Service Medical Education costs exceed \$500,000.

Payments to qualifying hospitals will be divided equally among all qualifying hospitals. 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.

For Fiscal Year (FY) 2013-2014, the fiscal impact as a result of this additional class of disproportionate share hospital payments is \$1.076 million (\$0.500 million in State General Funds and \$0.576 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).