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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-14-023

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

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

AUG 19 2014

RE: State Plan Amendment 14-023

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 14-023. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment establishes an additional class of disproportionate share hospital payments to promote access to services and to support academic medical programs.

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 14-023 effective April 13, 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

**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:
14-023

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
April 13, 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 \$2,878,657

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 27aaa

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT:

Additional Class of Disproportionate Share Payment

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. NAME:
Beverly D. Mackereth

14. TITLE:
Secretary of Public Welfare

15. DATE SUBMITTED:
MAY 28 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:

AUG 19 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

APR 13 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Penny Thompson

22. TITLE:

Deputy Director, Policy & Financial Mgt. CMES

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

The Department will make a disproportionate share (hospital DSH) payment to qualifying hospitals to promote additional access to inpatient and ancillary outpatient services and to support academic medical programs for integrated patient centered medical services.

The Department determines a hospital eligible for this additional class of DSH payment if the hospital meets all of the criteria listed below. Unless otherwise stated, the source of the information is the State Fiscal Year 2010-2011 Medical Assistance (MA) hospital cost report (MA-336).

- a) The hospital is enrolled in the Pennsylvania (PA) MA Program as a general acute care hospital.
- b) The hospital is ranked at or above the 92nd percentile of all acute care hospitals on the total acute care inpatient days provided to MA beneficiaries.
- c) The hospital is ranked at or above the 94th percentile of all acute care hospitals on net PA MA Outpatient Revenues.
- d) The hospital is accredited as an Adult Level I Trauma Center and a Pediatric Level I Trauma Center according to the Pennsylvania Trauma Systems Foundation's *2012 Annual Report*.
- e) The hospital is part of an academic medical center that includes a regional medical campus in a county of the fourth class.

For FY 2013-2014, the Department will allocate \$5.379 million (\$2.500 million in State General funds and \$2.879 million Federal funds) for this additional class of DSH payments. Payments will be divided proportionally among all qualifying hospitals based on each hospital's total MA acute care inpatient days to total MA acute care inpatient days for all qualified hospitals. In making these payments, the Department will ensure that no hospital will receive any DSH payment that is in excess of its hospital-specific DSH upper limit and the Commonwealth will not exceed its aggregate DSH allotment.

TN#14-023
Supersedes
TN#NEW

Approval Date: **AUG 19 2014**

Effective Date: April 13, 2014

OS Notification

State/Title/Plan Number: Pennsylvania 14-023

Type of Action: SPA Approval

Required Date for State Notification: August 26, 2014

Fiscal Impact in Millions:

FY 2014	\$2,878,657
FY 2015	\$0

Number of Potential Newly Eligible People: 0

Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail: This plan amendment establishes an additional disproportionate share (DSH) payment adjustment to promote access to inpatient and ancillary outpatient services and to support academic medical programs for integrated patient centered medical services, generally Hershey Medical Center is the only qualifying facility.

FFP impact is \$2.879 million.

PA provided timely public notice. The non-federal share of funding is derived from state general funds.

Other Considerations:

This plan amendment has not generated significant outside interest and we do not recommend the Secretary contact the governor.

Pennsylvania does not have any federally recognized Indian tribes or UIOs, therefore the Tribal Consultation requirements do not apply.

CMS Contact: Gary Knight (304) 347-5723
National Institutional Reimbursement Team