

## **Table of Contents**

**State/Territory Name:** Pennsylvania

**State Plan Amendment (SPA) #: PA-14-029**

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 14-029

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 14-029. 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 that serve indigent populations of cities with an average per capita income significantly below statewide averages.

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 14-029 effective June 29, 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	
1. TRANSMITTAL NUMBER: 14-029	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 29, 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 \$2,139,175.99
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Pages 21v	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 21v
10. SUBJECT OF AMENDMENT: Additional Class of Disproportionate Share Payments	
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. Mackereith 14. TITLE: Secretary of Public Welfare 15. DATE SUBMITTED: JUN 27 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: SEP 03 2014
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUN 29 2014	20. SIGNATURE OF REGIONAL OFFICIAL: /S/
21. TYPED NAME: Penny Thompson	22. TITLE: Deputy Director, Policy Financial Mgt. MHS
23. REMARKS:	

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

The Department of Public Welfare (Department) has established an additional class of disproportionate share hospital (DSH) payments for certain qualifying acute care general hospitals (hospitals) that serve the indigent population of cities with an average per capita income significantly below the statewide average for the Commonwealth.

For a hospital to qualify for this class of DSH payments, it must meet all of the following criteria, based on the Fiscal Year 2011-2012 PA Medical Assistance (MA) hospital cost report unless otherwise specified:

- (a) The hospital is enrolled in PA MA as an acute care general hospital;
- (b) The hospital provides at least 20,000 inpatient days of care to MA beneficiaries;
- (c) The hospital has an MA inpatient utilization rate (MIUR) of at least 25% as determined by dividing the hospital's MA inpatient days by its total inpatient days of care
- (d) The hospital has a negative 3-year average change in net patient revenue according to the Pennsylvania Health Care Cost Containment Council's Fiscal Year 2012 Financial Analysis, Volume One, General Acute Care Hospitals; and
- (e) The hospital is located in a PA county which contains a city with a population of 30,000 or more and that city has a per capita income below 60 percent of the average per capita income for the Commonwealth as documented in the 2010 U.S. census data.

A hospital's payment amount for this class of DSH payments will be determined by dividing the hospital's MA inpatient days by the total MA inpatient days for all qualifying hospitals and multiplying that percentage by the total amount allocated for these payments. The data used for purposes of this determination will be based on the Fiscal Year 2011-2012 PA MA hospital cost report.

The total amount allocated for this payment is \$4.128 (\$1.989 million in State general funds).