

## **Table of Contents**

**State/Territory Name:** Pennsylvania

**State Plan Amendment (SPA) #: PA-14-0033**

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 AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



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**Financial Management Group**

**NOV 21 2014**

Ms. Beverly Mackereth, Secretary  
Commonwealth of Pennsylvania  
Department of Public Welfare  
Office of Medical Assistance Programs  
Bureau of Policy, Budget and Planning  
P.O. Box 8046  
Harrisburg, PA 17105

RE: State Plan Amendment (SPA) 14-033

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 14-033. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for Medicaid pay-for-performance (P4P) supplemental payments to county nursing facilities.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 14-033 with pen and ink changes to the effective date, reflecting September 21, 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/

Timothy Hill  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
14-033

2. STATE  
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE  
~~July 1, 2014~~ September 21, 2014 BK

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 447.250

7. FEDERAL BUDGET IMPACT:  
a. FFY 2014 \$ 812,363  
b. FFY 2015 \$2,437,089

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19D, Part Ia, pages 4 and 5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
Attachment 4.19D, Part Ia, pages 4 and 5

10. SUBJECT OF AMENDMENT:  
Extension of Pay for Performance Incentive (P4P) payments to qualifying county nursing facilities for SFY 2014-2015.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/s/

13. TYPED NAME:

Beverly D. Mackereth

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

SEP - 4 2014

16. RETURN TO:

PA Department of Public Welfare  
Office of Long-Term Living/Forum Place 6<sup>th</sup> Fl.  
Attention: Bureau of Policy and Regulatory Management  
P.O. Box 8025  
Harrisburg, Pennsylvania 17105-8025

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED: NOV 21 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEP 21 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Deputy Director, FMC

23. REMARKS:

d. These payments will be made annually within 120 days after the submission of an acceptable MA cost report provided that in no case will payment be made before 210 days of the close of the county nursing facility fiscal year.

e. For the period July 1, 2005 to June 30, 2009, the disproportionate share incentive payment to qualified county nursing facilities shall be increased to equal two times the disproportionate share per diem incentive calculated in accordance with subparagraph c.

(i) For the period commencing July 1, 2005 through June 30, 2006, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2005.

(ii) For the period commencing July 1, 2006 through June 30, 2007, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2006.

(iii) For the period commencing July 1, 2007 through June 30, 2008, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2007.

(iv) For the period commencing July 1, 2008 through June 30, 2009, the increased incentive shall apply to MA cost reports filed for the fiscal period ending December 31, 2008.

### 3. Pay for Performance Incentive Payment

For Fiscal Years 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 pay for performance incentive payments will be made to qualifying county nursing facilities each quarter based on the following:

(i) *Qualifying criteria.* A county nursing facility will qualify for the pay for performance incentive if both of the following criteria are met:

(A) The facility is a county nursing facility at the time of payment.

(B) The facility's MA case mix index (CMI) for the picture date is higher than its facility MA CMI for the previous picture date.

<u>Pay for Performance Payment Period</u>	<u>Picture Date</u>	<u>Previous Picture Date</u>
July 1 - September 30	August 1	May 1
October 1 - December 31	November 1	August 1
January 1 - March 31	February 1	November 1
April 1 - June 30	May 1	February 1

(ii) *Payment formula.* The total quarterly funds available for the pay for performance incentive payment is divided by the total MA days for all county nursing facilities meeting the qualifying criteria. The MA days used for each county nursing facility will be the paid MA days identified on the most recent PROMISE data file used to determine eligibility for disproportionate share payments.

(iii) The total quarterly funds available for each quarter of FYs 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 and 2013-2014 are \$1,625,000 per quarter. For FY 2014-2015 the total quarterly funds available are \$1,567,663 per quarter.

(iv) For pay for performance payment periods beginning on or after July 1, 2010, in determining whether a county nursing facility qualifies for a quarterly pay for performance incentive payment, the facility's MA CMI for a picture date will equal the arithmetic mean of the individual CMIs for MA residents identified in the facility's CMI report for the picture date. An MA resident's CMI will be calculated using the RUG-III version 5.12 44 group values as set forth in Appendix A to Chapter 1187 (relating to nursing facility services) and the most recent classifiable assessment of any type.

TN 14-033

Supersedes

TN 13-014

NOV 21 2014

Approval Date: \_\_\_\_\_

Effective Date: 07-01-14

09-21-14 GK