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State Name: Pennsylvania

State Plan Amendment (SPA)#: 15-0008

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 Page



Financial Management Group

MAR 18 2015

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 15-0008

Dear Ms. Mackereth:

We have completed our review of State Plan Amendment (SPA) 15-0008. 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 15-0008 effective January 1, 2015. 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	
FOR: HEALTH CARE FINANCING ADMINISTRATION	
1. TRANSMITTAL NUMBER: 15-0008	2. STATE Pennsylvania
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 January 1, 2015
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 2014 \$ 0 b. FFY 2015 \$ 5,366,827
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Pages 21v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 Human Services	
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:
13. TYPED NAME: Theodore Dallas	Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning P.O. Box 2675 Harrisburg, Pennsylvania 17110
14. TITLE: Acting Secretary of Human Services	
15. DATE SUBMITTED:	
FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: MAR 18 2015
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2015	20. SIGNATURE OF REGIONAL OFFICIAL: /S/
21. TYPED NAME: Kristin Fan	22. TITLE: Deputy Director, FMG
23. REMARKS:	

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

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

For a hospital to qualify for this class of DSH payment, 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 from the Fiscal Year 2011-2012 PA MA hospital cost report.

For Fiscal Year 2014-2015, the fiscal impact as a result of this additional class of disproportionate share payments is \$ 10.355 million (\$ 4.989 million in State General Funds and \$ 5.366 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).