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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-15-0010

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
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT #040220154017

JUN 12 2015

Theodore Dallas
Secretary of Human Services
Department of Human Services
Room 333, Health & Welfare Building
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Secretary Dallas:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Pennsylvania's (PA) State Plan Amendment (SPA) 15-0010. SPA PA-15-0010 was submitted in response to the issues addressed by CMS in its December 12, 2014, companion letter to CMS' approval of SPA PA-14-001, "Payment Methodology for Hospice Services." CMS directed the Department to submit a SPA after public notice was provided, revising Attachment 4.19-B, page 5b to provide that payment will be at least 95 percent of the rate that would have been paid by the State under the plan for the facility services for that individual.

This SPA is approved with an effective date of April 1, 2015. Enclosed are:

1. The CMS Summary Page (CMS-179 form); and
2. The approved State Plan pages for PA-15-0010.



If you have any questions, please contact Mary McKeon at 215-861-4181.

Sincerely,

/S/

Mary McKeon

Associate Regional Administrator

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 15-0010	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 April 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 U.S.C. §1396a(a)(13)(B)		7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$0.00 b. FFY 2015 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 5b.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 5b.	
10. SUBJECT OF AMENDMENT: Hospice Payment Methodology			
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:  /S/		16. RETURN TO: Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning P.O. Box 8046 Harrisburg, PA 17105	
13. TYPED NAME: Ted Dallas			
14. TITLE: Acting Secretary of the Department of Human Services			
15. DATE SUBMITTED: APR - 1 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: JUN 12 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 01 2015		20. SIGNATURE OF REGIONAL OFFICIAL:  /S/	
21. TYPED NAME: Francis McCallough		22. TITLE: Associate Regional Administrator	
23. REMARKS:			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER
TYPES OF CARE

19. Short Procedure Unit (SPU) (42 CFR 416.2)

Policy/Methods Used to Establish Payment Rates

See above Item 18.

20. Targeted Case Management Services for Persons with AIDS or Symptomatic HIV (42 CFR 440.169(b))

Policy/Methods Used to Establish Payment Rates

See 4.19B page 10.

21. Hospice Services (42 CFR 418)

Policy/Methods Used to Establish Payment Rates

1. The agency fee schedule as developed by CMS Medicaid for Hospice Services is effective for services provided on or after the Centers for Medicare and Medicaid Services (CMS) publication date. The state-developed provider specific rates are the same for both governmental and private providers of hospice services within the same geographic factor from the Medicare wage index. For dates of service prior to or on September 30, 2013, the Department pays hospice providers for routine home care, continuous home care, inpatient respite care, and general inpatient care at rates established by CMS. The hospice provider specific rate payments are calculated as follows:

Routine Home Care

Limited to one unit of service per day.

Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount

Continuous Home Care

Limited to 24 hourly units of service per day.

Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount + 24

Inpatient Respite Care

Limited to one unit of service per day.

Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount

General Inpatient Care

Limited to one unit of service per day.

Geographic Factor from the Medicare wage index X Wage Component Subject to Index + Non-Weighted Amount

- A. In accordance with Section 3004 of the Affordable Care Act (ACA) and effective with dates of service on and after October 1, 2013, hospice providers are paid based on their compliance of submission of quality data to CMS on an annual basis. Hospice providers that comply with the quality data submission to CMS are paid a higher rate in accordance with Table 1 in the Centers for Medicaid and CHIP Services, Financial Management Group's Annual Change in Hospice Payment Rates letter, which may be viewed by accessing the following website link: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads/Medicaid-Hospice-Payment-Rates.pdf>.
 - B. In accordance with Section 3004 of the ACA and effective with dates of service on and after October 1, 2013, hospice providers that do not comply with the quality data submission to CMS on an annual basis are paid the minimal amount the state may pay the hospice provider as calculated above and reflected by Table 2 in the Centers for Medicaid and CHIP Services, Financial Management Group's Annual Change in Hospice Payment Rates letter, which may be viewed by accessing the following website link: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Downloads/Medicaid-Hospice-Payment-Rates.pdf>. On an annual basis, the Department obtains the list of hospice providers who did not report the quality data from CMS.
2. Hospice providers are paid separately for direct care related to the beneficiary's terminal illness when provided by a hospice physician. Payment is made in accordance with the State Agency Fee Schedule based on established criteria. Physician payments are described on Attachment 4.19B, pages 1 and 4b.
 3. An additional room and board per diem amount will be paid to hospices in connection with routine home care and continuous home care furnished to beneficiaries who have elected hospice care and are residing in skilled or intermediate care facilities. Payment is at least 95% of the rate that would have been paid by the State under the plan for facility services for that individual. The room and board rate is adjusted annually for each hospice provider using the following calculation:

Room and Board

Limited to one unit of service per day.

Previous year's Rate X Forecasted market basket percentage increase.