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State Name: Pennsylvania

State Plan Amendment (SPA)#: 15-0040

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Two (2) SPA Pages



Financial Management Group

APR 04 2016

Mr. Theodore Dallas, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 8046
Harrisburg, PA 17105

RE: State Plan Amendment 15-0040

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 15-0040. This SPA modifies Attachment 4.19-D of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for Medicaid day-one-incentive (MDOI) 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 Pennsylvania State plan amendment 15-0040 effective date of March 31, 2016. 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/

Kristin Fan
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
15-0040

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
March 31, 2016

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 2015 \$ 0
b. FFY 2016 \$ 68,683,328

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D, Part Ia, pages 2 and 9

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19D, Part Ia, pages 2 and 9

10. SUBJECT OF AMENDMENT: Modified payments to county nursing facilities by increasing Medical Assistance Day One Incentive payments and elimination of the existing certified public expenditure process.

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:

Theodore Dallas

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED:

FEB - 4 2016

16. RETURN TO:

PA Department of Human Services
Office of Long-Term Living/Forum Place 6th 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:

APR 04 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

MAR 31 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMC

23. REMARKS:

B. Incentive Payments

1. *County MA Day One Incentive payment for FYs 2006-2007 thru 2011-2012 and 2012-2013 thru 2015-2016.* The Department will make MA Day One Incentive (MDOI) payments to each qualified county nursing facility as an incentive to preserve the critical safety network county nursing facilities provide to the poor and indigent residents of Pennsylvania.

a. An annual MDOI will be calculated for each qualified county nursing facility, to be paid out in quarterly installments.

b. To qualify for an MDOI quarterly installment payment, the facility must be a county nursing facility both during the entire quarter for which the installment payment is being made and at the time the installment payment is made.

c. The Department will calculate each qualified county nursing facility's MDOI quarterly installment payment based on the following formula:

(i) The total funds allocated for the MDOI payments for the rate year will be divided by the total MA days for all county nursing facilities to determine the MDOI per diem for the rate year. The total MA days used for each county nursing facility will be the MA days identified on the most recent Provider Reimbursement and Operations Management Information System (PROMISTM) data file used to determine the facility's eligibility for disproportionate share incentive payments. The state funds allocated for FYs 2006-2007 thru 2015-2016 are as follows:

FY - 2006-2007 -	\$ 11,858,682
FY - 2007-2008 -	\$ 12,330,822
FY - 2008-2009 -	\$ 9,804,649
FY - 2009-2010 -	\$ 13,868,883
FY - 2010-2011 -	\$ 13,979,899
FY - 2011-2012 -	\$ 20,574,781
FY - 2012-2013 -	\$ 23,580,105
FY - 2013-2014 -	\$ 24,666,449
FY - 2014-2015 -	\$ 20,037,185
FY - 2015-2016 -	\$ 74,729,967

E. [RESERVED]

F. Allowable Program Costs and Policies

Allowable costs are those costs incurred by a county nursing facility in the course of providing nursing facility services to MA residents and one of the following applies: (1) The cost is allowable under CMS Pub. 15-1; (2) The cost is not allowable under the CMS Pub. 15-1, but is allowable as a net operating cost under Chapter 1187 (relating to nursing facility services); or (3) The cost is identified as an allowable county nursing facility cost in Part 1A of Attachment 4.19D.

The Department of Health's annual health-care associated infection (HAI) surcharge on a county nursing facility's licensing fee is an allowable cost under the MA Program. The MA portion of the HAI surcharge will be reimbursed as a pass-through payment and will be paid on an annual basis. A nursing facility's annual HAI pass-through payment will equal the annual HAI surcharge fee paid by the nursing facility, less any penalties assessed, as verified by the DOH, multiplied by the nursing facility's MA occupancy rate as reported on the nursing facility's cost report for the fiscal year in which the annual HAI surcharge is paid. The HAI pass-through payment will be made annually within 120 days after the submission of an acceptable cost report provided that payment will not be made before the later of 210 days from the close of the nursing facility fiscal year or the date on which the DOH received payment of the nursing facility's HAI surcharge fee.