

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 16-0001

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

**SEP 08 2016**

Mr. Theodore Dallas, Secretary  
Commonwealth of Pennsylvania  
Department of Human Services  
Office of Medical Assistance Programs  
PO Box 2675  
Harrisburg, PA 17110

RE: State Plan Amendment 16-0001

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0001. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA continues an additional class of disproportionate payments for acute care hospitals with 400 or more setup and staffed beds in a county with a population less than 500,000.

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 16-0001 effective April 17, 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 16-0001	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 April 17, 2016	
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 2015 \$0 b. FFY 2016 \$377,801	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 21x		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 21x	
10. SUBJECT OF AMENDMENT: Additional Class of Disproportionate Share Hospital 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: /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 2675 Harrisburg, Pennsylvania 17110	
13. TYPED NAME: Theodore Dallas			
14. TITLE: Secretary of Human Services			
15. DATE SUBMITTED: APR 18 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: SEP 08 2016	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR 17 2016		20. SIGNATURE OF REGIONAL OFFICIAL: /S/	
21. TYPED NAME: Kristen FAN		22. TITLE: Director, FMG	
23. REMARKS:			

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS**

The Department will make an additional class of disproportionate share hospital (DSH) payment to qualifying Medical Assistance (MA) enrolled acute care general hospitals which provide a high volume of inpatient services to MA eligible and low income populations.

A hospital is eligible for this additional class of DSH payment if the hospital is an acute care hospital that meets all of the criteria listed below. Unless otherwise stated, the source of the information is the State Fiscal Year (FY) 2011-2012 MA-336 Hospital Cost Report.

- a) The hospital is enrolled in the MA Program as an acute care general hospital.
- b) The hospital is located in a county with a total population of less than 500,000 residents, based on the 2010 Federal decennial census.
- c) The hospital has at least 400 total setup and staffed beds.
- d) The hospital ranked at or above the 90th percentile, among MA enrolled acute care hospitals located in counties with a total population of less than 500,000 residents, on the total number of MA inpatient days of care provided.
- e) The hospital ranked in excess of one standard deviation above the mean among MA enrolled acute care hospitals located in counties with a total population of less than 500,000 residents, on the ratio of MA psychiatric inpatient days provided to total psychiatric inpatient days.
- f) The hospital's ratio of uncompensated care to net patient revenue, based on the Pennsylvania Health Care Cost Containment Council *Financial Analysis 2013*, exceeded 3.40%.

All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit. The Department will not redistribute DSH payments made under this additional class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

For FY 2015-2016, the Department will allocate \$0.726 million (\$0.348 million in State General funds and \$0.378 million Federal funds) for this additional class of DSH payments. Payments will be divided proportionally among qualified hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualified hospitals.