

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 16-0003

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**

**JUL 11 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 16-0003

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0003. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues disproportionate share hospital payments to hospitals promoting access to inpatient hospital services for MA eligible and uninsured persons with cleft palate or craniofacial abnormalities.

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 16-0003 effective May 29, 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:  
16-0003

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  
May 29, 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 Subpart C

7. FEDERAL BUDGET IMPACT:  
a. FFY 2015 \$0  
b. FFY 2016 \$162,565

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19A, Page 21u

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
Attachment 4.19A, Page 21u

10. SUBJECT OF AMENDMENT:  
Additional Class of Disproportionate Share Hospital Payments

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:  
Review and approval authority has  
been delegated to the Department of  
Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:  
/S/

13. TYPED NAME:  
Theodore Dallas

14. TITLE:  
Secretary of Human Services

15. DATE SUBMITTED:  
MAY 31 2016

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

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED: JUL 11 2016

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
MAY 29 2016

20. SIGNATURE OF REGIONAL OFFICIAL:  
/S/

21. TYPED NAME: Kristin FAN

22. TITLE: Director, FMC

23. REMARKS:

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS**

The Department of Human Services (Department) will make disproportionate share (DSH) payments to certain Medical Assistance (MA) acute care general hospitals (hospitals) which, in partnership with an independent facility listed as a Cleft and Craniofacial Team by the American Cleft Palate-Craniofacial Association, provide surgical services to patients with cleft palate and craniofacial abnormalities. This payment is intended to promote access to inpatient hospital services for MA eligible and uninsured persons in the Commonwealth with cleft palate and craniofacial abnormalities.

The Department will determine a hospital eligible for this additional class of disproportionate share payments if the hospital meets all of the criteria listed below. Unless otherwise stated, the source of the information is the State Fiscal Year 2010-2011 MA hospital cost report (MA-336).

- a) The hospital is enrolled in the Medical Assistance Program as a general acute care hospital, and is licensed to provide obstetrical and neonatal services as reported by the Pennsylvania Department of Health for the period July 1, 2010 through June 30, 2011.
- b) The hospital has a partnership with a facility listed as of January 2013 as both a cleft palate team (CPT) and a craniofacial team (CFT) by the American Cleft Palate-Craniofacial Association and Cleft Palate Foundation.
- c) As of March 2013, the hospital is accredited as a Level I Adult Trauma Center and a Level I Pediatric Trauma Center by the Pennsylvania Trauma System Foundation.
- d) The hospital provided more than 135,000 total acute inpatient days of care.
- e) The hospital ranked at or above the 92<sup>nd</sup> percentile for all enrolled acute care hospitals based on the total number of Medical Assistance inpatient days of care.
- f) The hospital's ratio of uncompensated care to net patient revenue is at least 3.30%, based on the Pennsylvania Health Care Cost Containment Council's *Financial Analysis 2012, Volume One*.

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. Any funds available due to the application of the hospital-specific DSH upper payment limit will be redistributed to other hospitals qualifying under this class of disproportionate share payments on a proportionate basis.

For FY 2015-2016, the Department will allocate \$0.313 million (\$0.150 million in State General funds and \$0.163 million Federal funds) for this additional class of disproportionate share 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. In making these payments, the Department will ensure that no hospital will receive any DSH payment that is in excess of its hospital specific DSH upper limit and the Commonwealth will not exceed its aggregate DSH allotment.