

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 16-0012

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



---

**Financial Management Group**

**AUG 23 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 16-0012

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0012. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues disproportionate share hospital payments to hospitals with qualifying trauma centers.

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 16-0012 effective March 13, 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: <b>16-0012</b>	2. STATE <b>Pennsylvania</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) <b>Title XIX</b>	
<b>TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		4. PROPOSED EFFECTIVE DATE <b>March 13, 2016</b>	
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: <b>42 CFR 447 Subpart C</b>		7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$0 b. FFY 2016 \$9,381,091	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19A, Page 21c</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19A, Page 21c</b>	
10. SUBJECT OF AMENDMENT: <b>Trauma Disproportionate Share Hospital Payments</b>			
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 Public Welfare			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <b>/S/</b>		16. RETURN TO: Commonwealth of Pennsylvania Department of Human Services Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning P.O. Box 2875 Harrisburg, Pennsylvania 17110	
13. TYPED NAME: <b>Theodore Dallas</b>			
14. TITLE: <b>Secretary of Human Services</b>			
15. DATE SUBMITTED: <b>MAR 16 2016</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: <b>AUG 23 2016</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>MAR 13 2016</b>		20. SIGNATURE OF REGIONAL OFFICIAL: <b>/S/</b>	
21. TYPED NAME: <b>Kristen FAN</b>		22. TITLE: <b>Director, Fmc</b>	
23. REMARKS:			

TRAUMA DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

The Department shall make a supplemental disproportionate share payment ("Trauma DSH payment") to hospitals that qualify as a trauma center for the purpose of improving access to readily available and coordinated trauma care for the citizens of this Commonwealth. For Fiscal Year 2015-2016, the Department will allocate \$8.656 million in State General Funds for this DSH payment.

**Qualified Trauma Centers**

A hospital located in the Commonwealth of Pennsylvania shall qualify as a trauma center ("qualified trauma center") if it is accredited by the Pennsylvania Trauma Systems Foundation ("Foundation") as a Level I, Level II, or Level III trauma center.

An out-of-state hospital may qualify as a trauma center ("out-of-state qualified trauma center") for purposes of eligibility for the Trauma DSH payment. The term out-of-state qualified trauma center means West Virginia University Hospital, or an out-of-state trauma center that annually discharges more than 30 patients, who qualify as trauma patients under the Pennsylvania Trauma Outcome Study (PTOS) for 2 of the preceding 4 years and meets each of the following requirements:

- 1) Is accredited as a Level I or Level II trauma center by the Foundation; or has obtained verification from the American College of Surgeons as a Level I or Level II trauma center; and is formally designated as a Level I or Level II trauma center by its home state; and
- 2) Pays to the Foundation the annual participation fee the out-of-state hospital would be charged were it accredited by the Foundation as a Level I or Level II trauma center.

Out-of-state qualified trauma centers shall submit to the Foundation on an annual basis both:

(I) a copy of the clinical patient data the hospital submits to the National Trauma Database regarding Pennsylvania residents who receive trauma services from the hospital; and

(II) the total and Pennsylvania resident-specific number of PTOS trauma visits and patient days for individuals who are Medical Assistance beneficiaries and those who are uninsured. The definition of what constitutes a PTOS trauma case shall be the same for both Pennsylvania and out-of-state hospitals.

The Department may use any funds available for Trauma DSH payments to make Trauma DSH payments to eligible out-of-state hospitals.

**Calculation of the Trauma DSH Payment for Qualified Level I and Level II Trauma Centers**

The Department shall allocate 90% of the total available funds to hospitals that qualify as Level I and Level II trauma centers, including West Virginia University Hospital. 50% of the amount available for Level I and Level II trauma centers shall be distributed equally among qualified Level I and Level II trauma centers. 50% of the total amount available for Level I and Level II centers shall be distributed on the basis of each qualified trauma center's percentage of medical assistance and uninsured PTOS trauma visits and patient days compared to the Pennsylvania statewide total number of medical assistance and uninsured PTOS trauma visits and patient days for Level I and Level II trauma centers.

For these payments, the Department shall calculate payment to each qualifying Level I or Level II trauma center using PTOS data provided by the Foundation. For purposes of calculating the hospital specific portion of the payment, the Department shall count all medical assistance days, uninsured PTOS trauma cases and patient days, irrespective of the home state of the patient.

**Accreditation of Level III Trauma Centers**

The Foundation will accredit Level III trauma centers in accordance with established standards, based upon the guidelines for Level III trauma centers as defined by the American College of Surgeons. In addition to the established standards a hospital must meet all of the following criteria to qualify for Level III accreditation:

- (1) provide comprehensive emergency services;
- (2) have, on an annual basis, at least 4,000 inpatient admissions from its emergency department;
- (3) for trauma centers accredited or seeking accreditation prior to October 23, 2010:
  - (a) be located in a county without an accredited Level I or Level II trauma center; and
  - (b) not be located within 25 miles travel distance from a Level I or Level II trauma center
- (4) for trauma centers accredited or seeking accreditation on or after October 23, 2010:
  - (a) be located in a county of the third to eighth class; and
  - (b) not be located within 25 miles travel distance from a Level I, Level II or Level III trauma center.

The Department will allocate the 10% of the total available funds to hospitals accredited or seeking accreditation as Level III trauma centers for up to 4 years, with documented evidence or progression towards accreditation and achievement of benchmarks as verified and established by the Foundation in collaboration with the Department. 50% of this amount available for Level III trauma centers will be distributed equally among Level III trauma centers. 50% of the total amount available for Level III centers will be distributed on the basis of each trauma center's percentage of MA and uninsured PTOS trauma cases and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma cases and patient days for Level III trauma centers.

For these payments the Department will calculate payment to each qualifying hospital accredited as a Level III trauma center using PTOS data provided by the Foundation. For purposes of calculating the hospital specific portion of the payment, the Department shall count all MA days, uninsured PTOS trauma cases and patient days, irrespective of the home state of the patient. Payment to each qualifying Level III trauma center may not be greater than 50% of the average Statewide annual payment to a Level II trauma center.

Funds unspent from payments to qualifying hospitals accredited or seeking accreditation as Level III trauma centers shall be used to make payments to qualifying hospitals accredited as Level I and Level II trauma centers as follows: 50% of unspent Level III funds shall be distributed equally among qualified Level I and Level II trauma centers; 50% of unspent Level III funds shall be distributed on the basis of each qualified Level I and Level II trauma center's percentage of medical assistance and uninsured PTOS trauma visits and patient days compared to the Pennsylvania statewide total number of medical assistance and uninsured PTOS trauma visits and patient days for Level I and Level II trauma centers.

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 Fiscal Year 2015-2016, the fiscal impact of this additional class of DSH payment shall not exceed \$18.038 million (\$8.656 million in State General Funds and \$9.382 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).