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State Name: Pennsylvania

State Plan Amendment (SPA)#: 16-0015

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

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 16-0015

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0015. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues enhanced payment to certain academic medical 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 16-0015 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 16-0015	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 \$12,280,169	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 27a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 27a	
10. SUBJECT OF AMENDMENT: Additional Payments to Certain Academic Medical Centers			
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 13 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: Kristin Fan		22. TITLE: Director, FMC	
23. REMARKS:			

ADDITIONAL PAYMENTS TO CERTAIN ACADEMIC MEDICAL CENTERS

Effective September 30, 2007, the Department will increase payments to certain academic medical centers to assure that the critical services they provide to the Medical Assistance population will continue. These payments are also intended to help offset the Medical Assistance share of the medical education costs incurred by these hospitals to assure the continued availability of professional medical services to the Medical Assistance population.

To qualify for these payments, the academic medical center must meet the following criteria as documented on the hospitals' Fiscal Year (FY) 2002-2003 Medical Assistance cost reports:

1. Have total medical education costs of at least \$25 million.
2. Have Pennsylvania Medical Assistance Education costs of at least \$1.6 million; and
3. Provide over 50,000 Pennsylvania Medical Assistance days of care or have less than 500 set-up and staffed beds.

The Department will distribute payments to qualifying hospitals based on the hospitals' FY 2002-2003 Medical Assistance cost reports as follows:

1. 47.191453% of available funding to a large hospital, defined as having 750 set up and staffed beds; and
2. 26.4042735% of available funding to each of the other qualifying hospitals.
3. To ensure that payments do not exceed available funds, the Department will adjust payments to each hospital using the following formula:
 - a. The calculated total amount of payments for each hospital under steps (1) and (2) in this section is divided by the total calculated amount for all hospitals to obtain a percentage, which is a ratio of each hospital's respective share of the calculated amount.
 - b. The resulting percentage for each hospital in clause (a) is multiplied by the total available funds to obtain a proportional payment for each hospital.

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 fiscal impact as a result of this payment program is \$23.611 million (\$11.331 million in State General Funds and \$12.280 million in Federal Funds upon approval by the Centers for Medicare and Medicaid Services).