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State Name: Pennsylvania

State Plan Amendment (SPA)#: 16-0016

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



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 16-0016

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0016. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues provisions for disproportionate share hospital payments to certain acute care hospitals that further Pennsylvania's goal of enhanced access in economically distressed areas.

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 16-0016 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: 16-0016	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 \$2,167,535	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19A, Page 27aa		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19A, Page 27aa	
10. SUBJECT OF AMENDMENT: Additional Class of Disproportionate Share 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 16 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, FMO	
23. REMARKS:			

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS

The Department of Human Services (Department) will make payments to certain Medical Assistance (MA) acute care general hospitals to ensure their participation in the MA Program. This payment is intended to promote access to inpatient hospital specialty services for MA eligible persons in the Commonwealth. These funds will be used to support the medical education and operation of an academic medical program, which will foster the supply of health care professionals to treat the MA population.

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.

- a) The hospital is enrolled in the Medical Assistance Program as a general acute care hospital and is licensed to provide inpatient obstetrical and neonatal services as reported by the Pennsylvania Department of Health for the period July 1, 2010 through June 30, 2011.
- b) Effective October 1, 2012, the hospital is accredited as a Level III Trauma Center by the Pennsylvania Trauma Systems Foundation.
- c) The hospital provides a minimum of 50,000 total hospital inpatient days of care, of which more than 7,500 are for MA inpatient days of care based on the hospital's MA Cost Report (MA 336) for State Fiscal Year 2009-2010.
- d) The hospital's ratio of uncompensated care to net patient revenue exceeds 4.4%, based on the Pennsylvania Health Care Cost Containment Council's (PHC4) *Financial Analysis 2011, 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. 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 \$4.168 million (\$2.000 million in State General funds and \$2.168 million in Federal funds) for this additional class of disproportionate share payments. Payments will be divided proportionally among all qualifying hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualifying hospitals. In making these payments, the Department will ensure that no general acute care 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 annual DSH allotment.