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State Name: Pennsylvania

State Plan Amendment (SPA)#: 16-0035

This file contains the following documents in the order listed:

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

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

NOV 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 16-0035

Dear Mr. Dallas:

We have completed our review of State Plan Amendment 16-0035. This SPA modifies Attachment 4.19D of Pennsylvania's Title XIX State Plan. Specifically, this SPA continues Medicaid Day One Incentive payments to private nursing facilities.

We conducted our review of this amendment according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We are approving SPA 16-0035, effective September 25, 2016. Enclosed are the approved HCFA-179 and the amended state plan pages.

If you have any questions, 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:
16-0035

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 25, 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 447.250

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 \$
b. FFY 2017 \$ 8,590,627

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D, Part I, pages 12h and 12i

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19D, Part I, pages 12h and 12i

10. SUBJECT OF AMENDMENT: Medical Assistance Day One Incentive payments to nonpublic nursing facilities and funding levels for fiscal year 2016-2017.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME:

Theodore Dallas

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED:

SEP 23 2016

16. RETURN TO:

PA Department of Human Services
Office of Long-Term Living/Forum Place 6th Fl.
Attention: Bureau of Policy and Regulatory Management
P.O. Box 8025
Harrisburg, Pennsylvania 17105-8025

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: NOV 08 2016

PLAN APPROVED ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEP 25 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMG

23. REMARKS:

5. *MA Day One Incentive Payments for Nonpublic Nursing Facilities*

(a) MA Day One Incentive payment for FYs 2015-2016 and 2016-2017. The Department will make MA Day One Incentive (MDOI) payments to each qualified nursing facility as an incentive to increase access to care for the poor and indigent citizens of Pennsylvania.

(i) Each nursing facility may qualify for a maximum of four MDOI payments. MDOI payments for each qualified nursing facility will be based on data from the nursing facility assessment quarterly resident day reporting forms and calculated as described in subsection (b).

(ii) To qualify for a MDOI payment, the facility must:

- a. Have reported the resident day information to the Department for the applicable Resident Day Quarter in the manner specified by the Department in the *PA NF Assessment and Quarterly Resident Day Reporting Form End User Manual* by the applicable date in subsection (b).
- b. Meet the definition of a nursing facility as defined in 55 Pa. Code § 1187.2 for the entire applicable Resident Day Quarter.
- c. Have an overall occupancy rate of at least 85% during the applicable Resident Day Quarter.
- d. Have a MA occupancy rate of at least 65% during the applicable Resident Day Quarter.

(iii) For purposes of subsection (a)(ii) above, Overall occupancy rate = $\frac{\text{Total Resident Days}}{(\text{licensed bed capacity at the end of the quarter} \times \text{the number of calendar days in the quarter})}$. MA occupancy rate = $\frac{\text{Total PA MA days}}{\text{Total Resident Days}}$.

(iv) The Department will use the Total PA MA days and the Total Resident Days defined in the *PA NF Assessment and Quarterly Resident Day Reporting Form End User Manual* as reported by nursing facilities on the applicable nursing facility assessment resident day reporting forms to determine eligibility and calculate payments.

(b) The Department will use the nursing facility assessment quarterly resident day reporting forms available on October 31 for the April 1-June 30 Resident Day Quarter to calculate the first MDOI payment, January 31 for the July 1-September 30 Resident Day Quarter to calculate the second MDOI payment, April 30 for the October 1-December 31 Resident Day Quarter to calculate the third MDOI payment and July 31 for the January 1-March 31 Resident Day Quarter to calculate the fourth MDOI payment for each qualified nursing facility based on the following formula:

(i) A MDOI per diem for each of the four MDOI payments will be $\frac{1}{4}$ of the total funds appropriated for the fiscal year divided by the Total PA MA days as reported by all qualifying nursing facilities for the applicable Resident Day Quarter.

(ii) Each MDOI per diem will then be multiplied by each qualified nursing facility's Total PA MA days, as reported, for the applicable Resident Day Quarter to determine its MDOI payment.

(iii) The Department will not retroactively revise a MDOI payment amount based on a nursing facility's late submission or revision of its nursing facility assessment quarterly resident day report related to the dates above. The Department may recoup payments based on an audit of a nursing facility's report.

(iv) The state funds allocated for FYs 2015-2016 and 2016-2017 is as follows:

FY – 2015-2016 - \$8,000,000

FY – 2016-2017 - \$8,000,000