

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 16-0048

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

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**Financial Management Group**

MAR 10 2017

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 16-0048

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0048. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA continues an additional class of disproportionate payments for acute care hospitals ranked at least three standard deviations above the mean with respect to Medicaid inpatient days and above the 99<sup>th</sup> percentile of all acute care hospitals with respect to discharges.

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 16-0048 effective December 11, 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:  
16-0048

2. STATE  
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE  
December 11, 2016

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

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

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 2016 \$ 0  
b. FFY 2017 \$ 1,665,672

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 21y

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19A, Page 21y

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:

DEC 13 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 17105-2675

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

MAR 10 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

DEC 11 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FMC

23. REMARKS:

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS**

A hospital is eligible for this additional class of disproportionate share payments if the hospital is a general acute care hospital that meets all of the criteria listed below. Unless otherwise stated, the source of the information is the State Fiscal Year (FY) 2011-2012 MA-336 Hospital Cost Report.

- a) The hospital is enrolled in the MA Program as a general acute care hospital and provides a comprehensive array of inpatient services (acute, psychiatric and rehabilitation), including inpatient obstetrical and neonatal services to MA beneficiaries.
- b) The hospital is accredited as an adult Level I Trauma Center according to the Pennsylvania Trauma Systems Foundation 2013 Annual Report.
- c) The hospital ranked at least three standard deviations above the mean for the total number of inpatient days provided to MA beneficiaries.
- d) The hospital ranked above the 99<sup>th</sup> percentile of all acute care hospitals for the total number of MA discharges.
- e) The hospital is an independent academic medical center and a member of the Alliance of Independent Academic Medical Centers.

Payments will be divided proportionally among all qualified hospitals based on each hospital's total MA inpatient days to total MA inpatient days for all qualified hospitals. 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 2016-2017, the fiscal impact as a result of this additional class of supplemental hospital payments will be \$3.216 million in total funds (\$1.550 million in State general funds and \$1.666 million in Federal funds) upon approval by the Centers for Medicare & Medicaid Services.