

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 16-0049

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



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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 16-0049

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 16-0049. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, this SPA continues supplemental payments to qualifying hospitals which provide a high volume of services in medically underserved 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 16-0049 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:  
16-0049

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  
December 11, 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 Subpart C

7. FEDERAL BUDGET IMPACT:  
a. FFY 2016 \$0  
b. FFY 2017 \$1,614,456

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 21z

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19A, Page 21z

10. SUBJECT OF AMENDMENT:

Supplemental Payments to Hospitals That Provide High Volume of Services in Medically Underserved Areas

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:



**SUPPLEMENTAL PAYMENTS TO HOSPITALS THAT PROVIDE HIGH VOLUME OF SERVICES IN  
MEDICALLY UNDERSERVED AREAS**

The Department will make supplemental hospital payments to qualifying hospitals which the Department has determined provide a high volume of services to Medical Assistance (MA) eligible and low income populations in medically underserved areas.

The Department will consider a hospital eligible for these supplemental payments if the hospital is enrolled in Pennsylvania's MA Program as an acute care hospital that meets all the following criteria as identified in the State Fiscal Year 2012-2013 hospital cost report (MA 336) available to the Department on June 25, 2016, unless otherwise specified:

- a) The ratio of MA days to total hospital patient days exceeds 40 percent.
- b) The hospital provides in excess of 40,000 patient days of service.
- c) The hospital has an occupancy ratio (total patient days used divided by total bed days available) of at least 70 percent.
- d) The hospital is located in a census tract (United State Census 2010) designated by the Bureau of Primary Health Care and the Health Resources and Services Administration as a Medically Underserved Area.
- e) The hospital has a government dependency ratio, comprised of MA Percentage of Net Patient Revenue plus Medicare Percentage of Net Patient Revenue, both as reported in the Pennsylvania Health Care Cost Containment Council's 2015 Financial Analysis, Volume One, in the excess of the 95<sup>th</sup> percentile for all Commonwealth acute care hospitals.

For FY 2016-2017, the fiscal impact as a result of this additional class of supplemental hospital payments will be \$3.114 million in total funds (\$1.500 million in State general funds and \$1.614 million in Federal funds) upon approval by the Centers for Medicare & Medicaid Services. Payments will be divided proportionately between qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to total MA inpatient days of all qualifying facilities.