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State Name: Pennsylvania

State Plan Amendment (SPA)#: 17-0011

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



Financial Management Group

SEP 15 2017

Mr. Theodore Dallas, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 8046
Harrisburg, PA 17105

RE: State Plan Amendment 17-0011

Dear Mr. Dallas:

We have reviewed the proposed amendment to Attachment 4.19-D of the Pennsylvania State plan submitted under transmittal number (TN) 17-0011. This amendment modifies the State's methods and standards for setting non-public nursing facility (NF) payment rates. Specifically, this amendment continues the use of a budget adjustment factor in setting rates for SFY 2018 and 2019.

We conducted our review of your submittal according to the statutory requirements at Sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving Pennsylvania State plan amendment 17-0011 with the effective date of July 1, 2017. The approved HCFA-179 and the amended state plan pages are enclosed.

If you have any questions, please call Gary Knight on (304) 347-5723.

Sincerely,

/S/

Kristin Fan
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:
17-0011

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
July 1, 2017

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 2017 \$ 0
b. FFY 2018 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

4.19D Part I, Supplement III, Pages 9 and 10

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT:

Budget Adjustment Factor formula for Nonpublic Nursing Facilities for Rate Years 2017-2018 and 2018-2019.

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 Secretary of Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:
/S/

13. TYPED NAME:

Theodore Dallas

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED: AUG 14 2017

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: SEP 15 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristen FAN

22. TITLE:

Director, FMC

23. REMARKS:

For FYs 2017-2018 and 2018-2019, the Department intends to calculate the BAF for nonpublic nursing facilities as set forth below.

Nonpublic Nursing Facilities' BAF Determination

Quarterly BAF Formula - Prior to establishing the MA nonpublic nursing facility quarterly rates for the 2017-2018 and 2018-2019 rate years, the Department will use the following formula to determine the Quarterly BAF:

Annual target rate divided by the weighted average quarterly rate at 100% equals the Quarterly BAF.

If the Quarterly BAF as calculated is greater than 1.0, the Quarterly BAF will equal 1.0.

Terms Related to the BAF Determination

The following words and terms, when used in the 2017-2018 and 2018-2019 BAF determinations; have the following meaning, unless the context clearly indicates otherwise:

Annual target rate – The base rate multiplied by one plus the percentage rate of change permitted by the funds appropriated by the General Appropriations Act for the applicable rate year.

Base days – The source of days for the day-weighted calculation used in determining the base rate and the weighted-average quarterly rates at 100%. The base days are the sum of each nonpublic nursing facility's paid facility days, therapeutic leave days and 1/3 of the hospital bed reserve days for dates of service for the quarter beginning six months prior to the quarterly rate for which the BAF is being calculated.

Base rate – The base rate is the prior year's annual target rate.

Quarterly BAF – The BAF applied to each nonpublic nursing facility's quarterly rate, as calculated for the quarter.

Weighted-average quarterly rate at 100% - The statewide day-weighted average of the nonpublic nursing facilities' quarterly rates, as applicable, determined in accordance with 55 Pa. Code Chapter 1187 (relating to nursing facility services), calculated using base days, prior to application of a BAF.