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State Name: Pennsylvania

State Plan Amendment (SPA)#: 17-0013

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 17 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 17-0013

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 17-0013. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues certain inpatient supplemental and disproportionate share hospital payments to qualifying hospitals.

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 17-0013 effective September 24, 2017. 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**

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:
17-0013

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
September 24, 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 Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 \$0
b. FFY 2018 \$134,372,763

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Pages 20a and 21tt

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Pages 20a and 21tt

10. SUBJECT OF AMENDMENT:

Continuation of Disproportionate Share Hospital and Supplemental Payments, New Hospital Payments and Psychiatric and Rehabilitation Hospitals and Units

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:

Teresa D. Miller

14. TITLE:

Acting Secretary of Human Services

15. DATE SUBMITTED:

SEP 28 2017

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Budget and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17110

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

NOV 17 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEP 24 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristen FAN

22. TITLE:

Director, FAN

23. REMARKS:

Part V. Aggregate Limits to Inpatient Disproportionate Share, Outpatient Supplemental and Direct Medical Education

For the period January 14, 2007 through December 31, 2007, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient supplemental, the aggregate annualized amount of \$ 223.608 million, except any additional amount resulting from the Hospital Quality Incentive Pilot Program.

For the period beginning January 1, 2008, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient supplemental, the aggregate annualized amount of \$228.08 million, except any additional amount resulting from the Hospital Quality Incentive Pilot Program.

For State Fiscal Year 2009-2010, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount not to exceed \$193.010 million, except any additional amount resulting from the Hospital Quality Incentive Pilot Program.

For State Fiscal Year 2010-2011, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$287.832 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2011-2012, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$270.740 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2012-2013, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$270.740 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2013-2014, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$262.341 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2014-2015, the Department shall distribute to providers that are eligible for direct medical education and/or inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$263.661 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2015-2016, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$262.341 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2016-2017, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$256.520 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2017-2018, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$256.520 million, as adjusted to reflect the reconciliation factor described in Part VI.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

- (A) Except as provided in (D), beginning in SFY 2013-2014, for the second and subsequent full SFY of PA MA enrollment of a new hospital that qualifies for one or more of these payments, the payments will be annualized if the first full SFY payment had been prorated as described in (B)(3) and (B)(4), or the source data will be annualized prior to determining the annual payment allocation if the source data was not annualized as described in (B)(1) and (B)(2).
- (D) For each of the payments listed in (B) for new hospitals, the Department will determine a final payment amount using actual MA data relating to the new hospital's first full SFY of enrollment once that data becomes available. The Department will reconcile payments made to final payment amounts subject to available funding.

For FY 2017-2018, the Department will allocate an annualized amount of \$2.787 million (\$1.343 million in State General Funds) for these DSH and supplemental payments adjusted to reflect the reconciliation factor described in Part VI.