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State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0003

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

MAR 12 2018

Ms. Teresa D. Miller, Acting Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17110

RE: State Plan Amendment (SPA) 18-0003

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0003. This SPA modifies Attachment 4.19-D Part Ia of Pennsylvania's Title XIX State Plan. Specifically, the amendment authorizes supplemental safety net payments in FY 2019 to county nursing facilities meeting specific criteria.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 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 18-0003 with an effective date of January 7, 2018. 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

cc: Leesa M. Allen, Deputy Secretary, DHS, Office of Medical Assistance Programs
Jennifer Burnett, Deputy Secretary, Office of Long-Term Living

bcc: Fran McCullough, ARA, RO3
Teia Miller, Manager, FMB RO3
Sabrina Tillman-Boyd, Manager, POB RO3
Mary McKeon, PA State Lead
Lisa Carroll, CO NIRT
Official NIRT File

**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:
18-0003

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
January 7, 2018

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 \$ 78,622,225

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19D, Part Ia, pages 5g and 5h

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

10. SUBJECT OF AMENDMENT: County nursing facility safety net payments to qualifying county nursing facilities in Fiscal Year 2017-2018.

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:

Teresa D. Miller

14. TITLE:

Acting Secretary of Human Services

15. DATE SUBMITTED:

JAN 17 2018

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:

MAR 12 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JAN 07 2018

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, Fmco

23. REMARKS:

8. Safety Net Payments for County Nursing Facilities

The Department will make a safety net payment in Fiscal Year 2017-2018 to qualifying county nursing facilities to assure their continued operation as a safety net provider for the MA nursing facility population.

Qualification:

To qualify for a safety net payment the facility must be a county nursing facility both during the period for which the payment is being made and at the time the payment is made.

Calculation of Safety Net Payment:

The Department will calculate each qualifying county nursing facility's safety net payment by calculating a per diem portion of the payment and a Medicare differential portion of the payment. A qualifying county nursing facility's total safety net payment is the sum of the two amounts calculated for the facility as adjusted in paragraph c. below rounded to the nearest dollar.

a. Per Diem Portion

The per diem portion of the safety net payment will be calculated using each qualifying facility's paid MA facility days and therapeutic leave days based on each qualifying facility's paid MA facility days and therapeutic leave days identified on the Provider Reimbursement and Operations Management Information System (PROMISTM) data file used to determine the facility's eligibility for disproportionate share incentive payments for the period ending December 31, 2016.

Each facility's per diem portion of the safety net payment will be determined by:

- (1) Dividing the funds allocated to safety net payments by the total paid MA facility days and therapeutic leave days for all eligible county nursing facilities and multiplying that amount by 80% to determine a safety net per diem for the rate year; and
- (2) Multiplying the safety net per diem by the qualifying county nursing facility's paid MA facility days and therapeutic leave days to determine the facility's per diem portion of the safety net payment rounded to the nearest dollar.

b. Medicare Differential Portion

The Medicare differential portion of the safety net payment will be determined by:

- (1) Calculating for each county nursing facility the estimated difference between what Medicare would pay for the nursing facility services and what Medicaid would pay for FY 2017-2018 excluding any anticipated safety net payments and prior to any adjustments for the transition to the Community HealthChoices (CHC) program as demonstrated in the preliminary annual Medicare upper payment limit demonstration calculated as of October 4, 2017;
- (2) Summing the differences calculated in (1);
- (3) Multiplying the total from (2) by 20%; and
- (4) Multiplying the product calculated in (3) by a ratio determined by dividing the difference for each qualifying county nursing facility as determined in (1) by the sum of the differences for all qualifying county nursing facilities to establish each facility's Medicare differential portion of the safety net payment rounded to the nearest dollar.

c. Adjustment for Community HealthChoices

For a county nursing facility located in a county in which the CHC Program has been implemented, the sum of the two amounts calculated for a facility under subsections (a) and (b) will be multiplied by 0.5 to determine a facility's annual safety net payment for FY 2017-2018. This adjustment is necessary to account for the estimated reduction in MA days of care paid through the MA Fee-for-Service Program due to implementation of the CHC managed care program in a county for half of the fiscal year.