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State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0017

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



Financial Management Group

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

MAY 07 2018

RE: State Plan Amendment 18-0017

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0017. 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 18-0017 effective March 25, 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
Dan De Lellis, Director, DHS, Bureau of Policy, Planning, and Analysis

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**

1. TRANSMITTAL NUMBER:
18-0017

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
March 25, 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 Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 \$0
b. FFY 2018 \$1,613,325

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 Public Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME:

Teresa D. Miller

14. TITLE:

Secretary of Human Services

15. DATE SUBMITTED:

MAR 29 2018

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:

MAY 07 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: MAR 25 2018

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 95th percentile for all Commonwealth acute care hospitals.

For FY 2017-2018, 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). 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.