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State Name: Pennsylvania

State Plan Amendment (SPA)#: 18-0037

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



Financial Management Group

January 18, 2019

Ms. Teresa D. Miller, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17105-2675

RE: State Plan Amendment 18-0037

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0037. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues disproportionate share hospital payments to hospitals with qualifying trauma centers.

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 18-0037 effective December 2, 2018. We are enclosing the CMS-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, Executive Deputy Secretary, DHS
Sally Kozak, Deputy Secretary, DHS, OMAP
Dan De Lellis, Director, DHS, Bureau of Policy, Planning, and Analysis

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

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
18-0037

2. STATE
Pennsylvania

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

4. PROPOSED EFFECTIVE DATE
December 2, 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 Subpart C

7. FEDERAL BUDGET IMPACT
a. FFY 2018 \$0
b. FFY 2019 \$9,471,749

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 21c

10. SUBJECT OF AMENDMENT
Disproportionate Share Payments for Trauma Services

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS
 SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

/S/

13. TYPED NAME
Teresa D. Miller

14. TITLE
Secretary of Human Services

15. DATE SUBMITTED **DEC 07 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
JAN 18 2019

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
DEC 02 2018

20. SIGNATURE OF STATE AGENCY OFFICIAL
/S/

21. TYPED NAME
Kristin Fan

22. TITLE
Director, FMG

23. REMARKS

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS FOR TRAUMA SERVICES

The Department of Human Services (Department) will make a disproportionate share hospital (DSH) payment ("Trauma DSH payment") to hospitals that qualify as a trauma center for the purpose of improving access to readily available and coordinated trauma care for the citizens of this Commonwealth. For Fiscal Year 2018-2019, the Department will allocate \$8.656 million in State general funds for this DSH payment.

Qualified Trauma Centers

A hospital located in the Commonwealth of Pennsylvania shall qualify as a trauma center ("qualified trauma center") if it is accredited by the Pennsylvania Trauma Systems Foundation ("Foundation") as a Level I, Level II, or Level III trauma center.

An out-of-state hospital may qualify as a trauma center ("out-of-state qualified trauma center") for purposes of eligibility for the Trauma DSH payment. The term out-of-state qualified trauma center means West Virginia University Hospital, or an out-of-state trauma center that annually discharges more than 30 patients, who qualify as trauma patients under the Pennsylvania Trauma Outcome Study (PTOS) for 2 of the preceding 4 years and meets each of the following requirements:

- 1) Is accredited as a Level I or Level II trauma center by the Foundation; or has obtained verification from the American College of Surgeons as a Level I or Level II trauma center; and is formally designated as a Level I or Level II trauma center by its home state; and
- 2) Pays to the Foundation the annual participation fee the out-of-state hospital would be charged were it accredited by the Foundation as a Level I or Level II trauma center.

Out-of-state qualified trauma centers shall submit to the Foundation on an annual basis both:

- (i) a copy of the clinical patient data the hospital submits to the National Trauma Database regarding Pennsylvania residents who receive trauma services from the hospital; and
- (ii) the total and Pennsylvania resident-specific number of PTOS trauma visits and patient days for individuals who are Medical Assistance beneficiaries and those who are uninsured. The definition of what constitutes a PTOS trauma case shall be the same for both Pennsylvania and out-of-state hospitals.

The Department may use any funds available for Trauma DSH payments to make Trauma DSH payments to eligible out-of-state hospitals.

Calculation of the Trauma DSH Payment for Qualified Level I and Level II Trauma Centers

The Department shall allocate 90% of the total available funds to hospitals that qualify as Level I and Level II trauma centers, including West Virginia University Hospital. 50% of the amount available for Level I and Level II trauma centers shall be distributed equally among qualified Level I and Level II trauma centers. 50% of the total amount available for Level I and Level II centers shall be distributed on the basis of each qualified trauma center's percentage of medical assistance and uninsured PTOS trauma visits and patient days compared to the Pennsylvania statewide total number of medical assistance and uninsured PTOS trauma visits and patient days for Level I and Level II trauma centers.

For these payments, the Department shall calculate payment to each qualifying Level I or Level II trauma center using PTOS data provided by the Foundation. For purposes of calculating the hospital specific portion of the payment, the Department shall count all medical assistance days, uninsured PTOS trauma cases and patient days, irrespective of the home state of the patient.

Accreditation of Level III Trauma Centers

The Foundation will accredit Level III trauma centers in accordance with established standards, based upon the guidelines for Level III trauma centers as defined by the American College of Surgeons. In addition to the established standards a hospital must meet all of the following criteria to qualify for Level III accreditation:

- (1) provide comprehensive emergency services;
- (2) have, on an annual basis, at least 4,000 inpatient admissions from its emergency department;
- (3) for trauma centers accredited or seeking accreditation prior to October 23, 2010:
 - (a) be located in a county without an accredited Level I or Level II trauma center; and
 - (b) not be located within 25 miles travel distance from a Level I or Level II trauma center
- (4) for trauma centers accredited or seeking accreditation on or after October 23, 2010:
 - (a) be located in a county of the third to eighth class; and
 - (b) not be located within 25 miles travel distance from a Level I, Level II or Level III trauma center.

The Department will allocate the 10% of the total available funds to hospitals accredited or seeking accreditation as Level III trauma centers for up to 4 years, with documented evidence or progression towards accreditation and achievement of benchmarks as verified and established by the Foundation in collaboration with the Department. 50% of this amount available for Level III trauma centers will be distributed equally among Level III trauma centers. 50% of the total amount available for Level III centers will be distributed on the basis of each trauma center's percentage of MA and uninsured PTOS trauma cases and patient days compared to the Pennsylvania statewide total number of MA and uninsured PTOS trauma cases and patient days for Level III trauma centers.

For these payments the Department will calculate payment to each qualifying hospital accredited as a Level III trauma center using PTOS data provided by the Foundation. For purposes of calculating the hospital specific portion of the payment, the Department shall count all MA days, uninsured PTOS trauma cases and patient days, irrespective of the home state of the patient. Payment to each qualifying Level III trauma center may not be greater than 50% of the average Statewide annual payment to a Level II trauma center.

Funds unspent from payments to qualifying hospitals accredited or seeking accreditation as Level III trauma centers shall be used to make payments to qualifying hospitals accredited as Level I and Level II trauma centers as follows: 50% of unspent Level III funds shall be distributed equally among qualified Level I and Level II trauma centers; 50% of unspent Level III funds shall be distributed on the basis of each qualified Level I and Level II trauma center's percentage of medical assistance and uninsured PTOS trauma visits and patient days compared to the Pennsylvania statewide total number of medical assistance and uninsured PTOS trauma visits and patient days for Level I and Level II trauma centers.

All payment limitations are still applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payments in excess of its hospital-specific limit. The Department will not redistribute DSH payments made under this additional class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

The Fiscal Year 2018-2019 impact, as a result of the funding allocation for these payments, shall not exceed \$18.128 million (\$8.656 million in State general funds and \$9.472 million in Federal funds).