

## **Table of Contents**

**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 18-0038

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



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**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 18-0038

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0038. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues enhanced payment to certain academic medical 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 18-0038 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

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>18-0038</b>	2. STATE Pennsylvania
<b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) Title XIX	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  December 2, 2018	
5. TYPE OF PLAN MATERIAL (Check One)			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> 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 \$12,398,843	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 4.19A, Page 27a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 4.19A, Page 27a	
10. SUBJECT OF AMENDMENT  Disproportionate Share Payments to Certain Academic Medical Centers			
11. GOVERNOR'S REVIEW (Check One)			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS <input type="checkbox"/> SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL  /S/		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	
13. TYPED NAME Teresa D. Miller			
14. TITLE Secretary of Human Services			
15. DATE SUBMITTED <b>DEC 07 2018</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED <b>JAN 18 2019</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>DEC 02 2018</b>		20. SIGNATURE OF REGIONAL OFFICIAL  /S/	
21. TYPED NAME <b>Kristin Fan</b>		22. TITLE <b>Director, FMG</b>	
23. REMARKS			

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO CERTAIN ACADEMIC  
MEDICAL CENTERS**

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to certain academic medical centers to assure that the critical services they provide to the Medical Assistance (MA) population will continue. These payments are also intended to help offset the MA share of the medical education costs incurred by these hospitals to assure the continued availability of professional medical services to the Medical Assistance population.

To qualify for this additional class of DSH payments, the academic medical center must meet the following criteria as documented on the hospitals' Fiscal Year (FY) 2002-2003 MA-336 Hospital Cost Report:

1. Have total medical education costs of at least \$25 million.
2. Have Pennsylvania MA Education costs of at least \$1.5 million; and
3. Provide over 50,000 Pennsylvania MA days of care or have less than 500 set-up and staffed beds.

The Department will distribute payments to qualifying hospitals based on the hospitals' FY 2002-2003 MA-336 Hospital Cost Report as follows:

1. 47.191453% of available funding to a large hospital, defined as having 750 set up and staffed beds; and
2. 26.4042735% of available funding to each of the other qualifying hospitals.
3. To ensure that payments do not exceed available funds, the Department will adjust payments to each hospital using the following formula:
  - a. The calculated total amount of payments for each hospital under steps (1) and (2) in this section is divided by the total calculated amount for all hospitals to obtain a percentage, which is a ratio of each hospital's respective share of the calculated amount.
  - b. The resulting percentage for each hospital in clause (a) is multiplied by the total available funds to obtain a proportional payment for each hospital.

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 FY 2018-2019 impact, as a result of the funding allocation for these payments, is \$23.730 million (\$11.331 million in State general funds and \$12.399 million in Federal funds).

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TN 18-0038  
Supersedes  
TN 17-0020

Approval Date: JAN 18 2019

Effective Date: December 2, 2018