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**State Name:** Pennsylvania

**State Plan Amendment (SPA)#:** 18-0046

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



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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 17110-2675

RE: State Plan Amendment 18-0046

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 18-0046. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment continues disproportionate share hospital payments to promote access to inpatient hospital services at facilities with the highest volumes of Medicaid.

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 18-0046 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**

1. TRANSMITTAL NUMBER:  
**18-0046**

2. STATE  
Pennsylvania

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

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 \$867,027

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 211

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19A, Page 211

10. SUBJECT OF AMENDMENT  
Disproportionate Share Payments to Qualifying Hospitals

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 REGIONAL OFFICIAL  
/S/

21. TYPED NAME  
Kristin Fan

22. TITLE  
Director, FMG

23. REMARKS

**ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS**

The Department of Human Services will make disproportionate share hospital (DSH) payments to certain qualifying hospitals that provide a high volume of services to Medical Assistance (MA) eligible and low-income populations to promote the hospitals' continued participation in the MA Program.

A hospital is eligible for this additional class of DSH payments if the hospital is an acute care hospital that meets all criteria listed below.

- a) The hospital is located in a county that exceeds the 96<sup>th</sup> percentile of the unduplicated number of persons eligible for MA, by county. (January 2010 MA unduplicated eligibility report).
- b) The hospital provides more than 58,000 patient days of service as reported on its Fiscal Year (FY) 2007-2008 MA-336 Hospital Cost Report.
- c) The hospital's ratio of PA MA days to total hospital days is more than 20.0% as reported on its FY 2007-2008 MA-336 Hospital Cost Report.
- d) The hospital's FY 2008 Uncompensated Care percentage of Net Patient Revenue is greater than 2.4%, as reported in the Pennsylvania Health Care Cost Containment Council's FY 2008 Financial Analysis, Volume One, General Acute Care Hospitals.
- e) The hospital's FY 2008 operating margin is less than -3.4%, as reported in the Pennsylvania Health Care Cost Containment Council's FY 2008 Financial Analysis, Volume One, General Acute Care Hospitals.

Payments will be divided proportionately among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to total MA inpatient days of all qualifying facilities. 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. Any funds available due to the application of the hospital-specific DSH upper payment limit will be redistributed to other hospitals qualifying under this additional class of DSH payments on a proportionate basis.

The FY 2018-2019 impact, as a result of the funding allocation for these payments, is \$1.659 million (\$0.792 million in State general funds and \$0.867 million in Federal funds).