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State Name: Pennsylvania

State Plan Amendment (SPA)#: 20-0001

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

February 25, 2020

Ms. Teresa D. Miller, Secretary
Commonwealth of Pennsylvania
Department of Human Services
Office of Long Term Living/Forum Place 6th Floor
PO Box 8025
Harrisburg, PA 17105-8025

RE: State Plan Amendment (SPA) 20-0001

Dear Ms. Miller:

We have completed our review of State Plan Amendment (SPA) 20-0001. 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 2020 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 20-0001 with an effective date of January 13, 2020. 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: Kevin Hancock, Deputy Secretary, DHS/OLTL

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 20 - 0001	2. STATE Pennsylvania
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 13, 2020	
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 447.250		7. FEDERAL BUDGET IMPACT a. FFY 2019 \$ 0 b. FFY 2020 \$ 26,274,402	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19D, Part Ia, pages 5i and 5j		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19D, Part Ia, pages 5i and 5j	
10. SUBJECT OF AMENDMENT: County nursing facility safety net payments to qualifying county nursing facilities in Fiscal Year 2019-2020.			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE <i>/S/</i>		16. RETURN TO PA Department of Human Services Office of Long-Term Living/Forum Place 6 th Fl. Attention: Bureau of Policy Development and Communications Management P.O. Box 8025 Harrisburg, Pennsylvania 17105-8025	
13. TYPED NAME Teresa D. Miller			
14. TITLE Secretary of Human Services			
15. DATE SUBMITTED JAN 13 2020			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED February 25, 2020	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL January 13, 2020		20. SIGNATURE OF REGIONAL OFFICIAL <i>/S/</i>	
21. TYPED NAME Kristin Fan		22. TITLE Director, FMG	
23. REMARKS			

9. Safety Net Payments for County Nursing Facilities

The Department will make a safety net payment in Fiscal Years 2018-2019 and 2019-2020 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. County nursing facilities located in a geographic zone where the CHC program will be in operation for the entire 2018-2019 or 2019-2020 fiscal years are not eligible for this payment in the applicable fiscal year.

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 in the preliminary annual Medicare upper payment limit demonstration calculated as of October 2, 2018 for 2018-2019 and September 11, 2019 for 2019-2020.

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 qualifying 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 qualifying county nursing facility the estimated difference between what Medicare would pay for the nursing facility services and what Medicaid would pay for the applicable FYs 2018-2019 or 2019-2020 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 2, 2018 for 2018-2019 and September 11, 2019 for 2019-2020;
- (2) Summing the differences calculated in b.(1);
- (3) Multiplying the total from b.(2) by 20%; and
- (4) Multiplying the product calculated in b.(3) by a ratio determined by dividing the difference for each qualifying county nursing facility as determined in b.(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 will be in operation for part of the applicable FYs 2018-2019 or 2019-2020, 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 the applicable FYs 2018-2019 and 2019-2020. 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.