

Table of Contents

State/Territory Name: PA

State Plan Amendment (SPA) #: 21-0021

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

January 18, 2022

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

RE: TN 21-0021

Dear M Snead:

We have reviewed the proposed Pennsylvania State Plan Amendment (SPA) to Attachment 4.19-B, PA-21-0021, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 1, 2021. This plan amendment is an alternative payment methodology to increase funding for FQHCs located in/operated by cities of the first class.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 31, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Lindsay Michael at 410-786-7197 or Lindsay.Michael@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**1. TRANSMITTAL NUMBER
21-00212. STATE
Pennsylvania3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)
Title XIX4. PROPOSED EFFECTIVE DATE
October 31, 2021TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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 U.S.C. § 1396a(bb)(6)7. FEDERAL BUDGET IMPACT
a. FFY 2022 \$0
b. FFY 2023 \$27,912,9878. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19B, Page 2ca9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)
Attachment 4.19B, Page 2ca

10. SUBJECT OF AMENDMENT

Alternative payment methodology to increase funding for FQHCs located in/operated by cities of the first class.

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 Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
M. Snead14. TITLE
Acting Secretary of Human Services15. DATE SUBMITTED
November 1, 202116. 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
November 1, 202118. DATE APPROVED
January 18, 2021**PLAN APPROVED - ONE COPY ATTACHED**19. EFFECTIVE DATE OF APPROVED MATERIAL
10/31/21

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Todd McMillion22. TITLE
Director, Division of Reimbursement Review

23. REMARKS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENTS RATES-OTHER TYPES OF CARE

Alternative Payment Methodology for Public FQHCs Located in a City of the First Class

SERVICE	LIMITATIONS
c.	<p><u>Public FQHCs Located in a City of the First Class</u></p> <p>Effective with dates of service on and after April 1, 2019, through March 31, 2024, the Department pays FQHCs that are located in and operated by a city of the first class and agree to this APM, a Medical Assistance Encounter Rate (MAER) for medical services as determined by the Department as follows. State fiscal year 2016-2017 data is utilized unless otherwise noted. The MAER is determined by dividing the Medicaid portion of the FQHC's total medical costs applicable to FQHC services by the FQHC's number of Medicaid visits. The FQHC's medical costs applicable to FQHC services are identified in the FQHC's Medicaid cost report most recently reviewed and accepted by the Department. The Medicaid portion of costs is determined by applying the FQHC's Medicaid patient percentage to the FQHC's total medical costs applicable to FQHC services. The FQHC's Medicaid patient percentage is calculated as a patient-weighted average Medicaid patient percent for the combined FQHC and FQHC look-alike as identified in the Health Resources & Services Administration (HRSA) 2017 Health Center Profile. The number of Medicaid visits are identified in the Department's MMIS data. A city of the first class is a city with more than one million residents.</p> <p>The MAER is a rate that is at least equal to the FQHC's provider-specific PPS rate on an encounter basis. For those FQHCs contracting with a Medicaid Managed Care Organization (MCO), the Department will determine whether each Medicaid MCO, at a minimum, reimbursed the FQHC at least 100% of the MAER on a quarterly basis. The Department will provide supplemental payments (wrap payments) to an FQHC in an amount equal to the difference between the MCO's payment and 100% of the MAER multiplied by the number of visits. The Department will make wrap payments on a quarterly basis.</p> <p>Effective April 1, 2024, the FQHC's payment rate will revert to the PPS rate effective on March 30, 2019, as adjusted annually by the Medicare Economic Index.</p>