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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: 21-0035

This file contains the following documents in the order listed:

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

March 1, 2022

Ms. Meg Snead
Acting Secretary, Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17105-2675

RE: State Plan Amendment (SPA) 21-0035

Dear Ms. Snead:

We have reviewed the referenced amendment to Attachment 4.19-A of your Medicaid State Plan. This amendment establishes the annual aggregate limit and continues funding for inpatient disproportionate share and supplemental payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This letter is to inform you that Medicaid State Plan Amendment is approved effective December 5, 2021. The CMS-179 and amended plan pages are enclosed.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,



Rory Howe
Director, Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 — 0 0 3 5

2. STATE

PA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

December 5, 2021

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2021 \$ 0
b. FFY 2022 \$ 124,151,058

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Pages 21a and 21jj

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19A, Pages 21a and 21jj

9. SUBJECT OF AMENDMENT

Additional Classes of Disproportionate Share Payments and Supplemental Payments to Qualifying Hospitals

10. 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:

11. DATE AGENCY OFFICIAL

12. TYPED NAME
M. Snead

13. TITLE
Acting Secretary of Human Services

14. DATE SUBMITTED
December 7, 2021

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED
December 7, 2021

17. DATE APPROVED
3/1/2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
December 5, 2021

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Box#6 Pen and Ink change approved by the state

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make an additional class of disproportionate share hospital (DSH) payments to certain qualifying hospitals that advance the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

A hospital is eligible for this additional class of DSH payments, provided it is an acute care general hospital that meets all the following criteria:

- (a) The hospital provides in excess of 100,000 inpatient days to Medical Assistance (MA) eligible individuals as reported on its Fiscal Year (FY) 2004-2005 MA-336 Hospital Cost Report;
- (b) The hospital has a Low-Income Utilization Rate in excess of the 95th percentile of the Low-Income Utilization Rate for all enrolled acute care general hospitals as reported on its FY 2004-2005 MA-336 Hospital Cost Report;
- (c) The hospital's ratio of MA revenue to net patient revenue exceeds the 98th percentile for all Commonwealth acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (d) The dollar value of the hospital's uncompensated care equals or exceeds the 94th percentile of the value to uncompensated care for all acute care general hospitals as reported in the Pennsylvania Health Care Cost Containment Council's 2006 Financial Analysis, Volume One;
- (e) The hospital is located in a Census tract designated by the Bureau of Primary Health Care of the Health Resource and Services Administration as a Medically Underserved Area.

Payments will be divided proportionally among qualifying hospitals based on the percentage of each qualifying hospital's MA inpatient days to the 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. 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 2021-2022 impact, as a result of the funding allocation for these payments is \$106.130 million in total funds.

ADDITIONAL CLASS OF SUPPLEMENTAL PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make supplemental payments to qualifying hospitals that treat a high volume of opioid use disorder (OUD) patients in their emergency rooms. These payments are intended to provide funding to expand research and treatment protocols for combating opioid addiction.

A hospital is eligible for these supplemental payments if the hospital meets all the criteria below. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2016-2017 MA-336 Hospital Cost Report, as available to the Department on October 29, 2019.

- a) The hospital is enrolled in the Pennsylvania Medical Assistance (MA) Program as an acute care general hospital, licensed by Pennsylvania's Department of Health;
- b) The hospital provided at least 150,000 total inpatient acute care days;
- c) The hospital provided greater than 60,000 inpatient acute care days of care, both fee-for-service (FFS) and managed care combined, to MA beneficiaries; and,
- d) The hospital treated at least 1,000 OUD patients in the emergency room in calendar year 2019, as determined for purposes of the OUD Quality Improvement Program, using encounter data compiled by the Department for the FY 2019-2020 OUD Quality Improvement Program as of December 10, 2020.

Payments will be divided proportionately among qualified hospitals based on each hospital's FFS Pennsylvania MA inpatient acute care days to total FFS Pennsylvania MA inpatient acute care days for all qualifying hospitals. Supplemental payments made to providers under the authority of Section 1902 of the Social Security Act and this State Plan are subject to the regulations at 42 CFR 447.272 and the application of upper payment limits for inpatient services, as well as the upper payment limit submission policies described in State Medicaid Director Letter 13-003.

For FY 2021-2022, the Department will allocate an annualized amount of \$88.994 million in total funds for these supplemental payments.