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**State/Territory Name: PA**

**State Plan Amendment (SPA) 22-0001**

This file contains the following documents in the order listed:

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



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**Financial Management Group**

April 12, 2022

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

RE: State Plan Amendment (SPA) 22-0001

Dear Ms. Snead:

We have completed our review of State Plan Amendment (SPA) 22-0001. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment will authorize supplemental payments to qualifying acute care general hospitals located in a county with an estimated general population count of less than one million that serve a high percentage of Medical Assistance patients.

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 Pennsylvania's State plan amendment with an effective date of February 20, 2022. 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,



Rory Howe  
Director

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

1. TRANSMITTAL NUMBER <u>2 2</u> — <u>0 0 0 1</u>	2. STATE <u>PA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE  
**February 20, 2022**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR 447 Subpart C**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 2,543,155  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.19A, Page 21mm**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)

9. SUBJECT OF AMENDMENT

**Additional Class of 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. SIGNATURE OF STATE AGENCY OFFICIAL  


12. TYPED NAME  
M. Snead

13. TITLE  
Acting Secretary of Human Services

14. DATE SUBMITTED  
February 22, 2022

15. 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 CMS USE ONLY**

16. DATE RECEIVED  
February 22, 2022

17. DATE APPROVED  
April 12, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  


APPROVING OFFICIAL  


20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director Financial Management Group

22. REMARKS

**ADDITIONAL CLASS OF SUPPLEMENTAL PAYMENTS TO QUALIFYING HOSPITALS**

The Department of Human Services (Department) will make supplemental payments to qualifying acute care general hospitals located in a county with an estimated general population count of less than 1 million that serve a high percent of Medical Assistance (MA) patients. These payments will enable the continuation of quality medical services in these areas.

A hospital is eligible for this additional class of supplemental payments if the hospital meets all the following criteria. Unless otherwise stated, the source of the information is the Fiscal Year (FY) 2018-2019 MA-336 Hospital Cost Report, as available to the Department on June 22, 2021.

- a) The hospital is enrolled in the Commonwealth's MA Program as an acute care general hospital and submitted a FY 2018-2019 MA-336 Hospital Cost Report to the Department available to the Department on June 22, 2021;
- b) The hospital provides an array of inpatient services (acute, psychiatric and rehabilitation) to MA enrollees as evidenced by having provided at least one acute care day, one psychiatric day and one rehabilitation day to MA beneficiaries;
- c) The hospital's main campus is located in a county with an Annual Estimate of the Resident Population for 2019 of less than 1 million according to the U.S. Census Bureau, Population Division (March 2020 release date);
- d) The hospital's combined fee-for-service (FFS) and managed care Pennsylvania MA inpatient acute care days exceeds the statewide average combined FFS and managed care Pennsylvania MA inpatient acute care days for all hospitals enrolled in the MA Program as an acute care general hospital;
- e) The hospital's Medicaid Inpatient Utilization Rate (MIUR) exceeds 30% (for purposes of this eligibility criterion a hospital's MIUR is equal to the hospital's total combined FFS and managed care MA inpatient days divided by the hospital's total inpatient days);
- f) The hospital's inpatient Low Income Utilization Rate exceeds 30%; and,
- g) The hospital's operating margin is less than 1.0% based on the Pennsylvania Health Care Cost Containment Council's *FY 2019 Financial Analysis*.

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 \$4.828 million in total funds (State and Federal) for these supplemental payments.