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State/Territory Name: PA

State Plan Amendment (SPA) 22-0002

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



Financial Management Group

April 19, 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) 22-0002

Dear Ms. Snead:

We have completed our review of State Plan Amendment (SPA) 22-0002. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the amendment will reauthorize and continue a series of additional classes of DSH payments for qualifying acute care general hospitals.

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 13, 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 2</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 13, 2022

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 \$ 8,674,268

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

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)
Attachment 4.19A, Page 21v

9. SUBJECT OF AMENDMENT

Additional Class of Disproportionate Share 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
[Redacted]

12. TYPED NAME
M. Snead

13. TITLE
Acting Secretary of Human Services

14. DATE SUBMITTED
February 14, 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 14, 2022

17. DATE APPROVED
April 19, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director Financial Management Group

22. REMARKS

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments for qualifying acute care general hospitals that serve the indigent population of cities with a per capita income significantly below the statewide average for the Commonwealth.

For a hospital to qualify for this additional class of DSH payment, it must meet all of the following criteria, based on the Fiscal Year (FY) 2011-2012 MA-336 Hospital Cost Report, unless otherwise specified.

- (a) The hospital is enrolled in Pennsylvania (PA) Medical Assistance (MA) as an acute care general hospital;
- (b) The hospital provides at least 20,000 inpatient days of care to MA beneficiaries;
- (c) The hospital has an MA inpatient utilization rate (MIUR) of at least 25% as determined by dividing the hospital's MA inpatient days by its total inpatient days of care;
- (d) The hospital has a negative 3-year average change in net patient revenue according to the Pennsylvania Health Care Cost Containment Council's FY 2012 Financial Analysis, Volume One, General Acute Care Hospitals; and,
- (e) The hospital is located in a PA county which contains a city with a population of 30,000 or more and that city has a per capita income below 60 percent of the average per capita income for the Commonwealth as documented in the 2010 U.S. census data.

A hospital's payment amount for this additional class of DSH payments is determined by dividing the hospital's MA inpatient days by the total MA inpatient days for all qualifying hospitals and multiplying that percentage by the total amount allocated for these payments. The data used for purposes of this determination will be from the FY 2011-2012 MA-336 Hospital Cost Report.

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 \$14.732 million in total funds.