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State/Territory Name: PA

State Plan Amendment (SPA) #: 23-0010

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 S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

July 7, 2023

Valerie A. Arkoosh, MD, MPH
Acting Secretary of Human Services
PA Department of Human Services
Attn: Office of Medical Assistance Programs
P.O. Box 2675
Harrisburg, PA 17105-2675

Reference: TN 23-0010

Dear Acting Secretary of Human Services:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0010. This amendment proposes to increase funding for disproportionate share hospital (DSH) payments to qualifying acute care general hospitals, which provide additional financial relief to hospitals and promote access to acute care services for Medical Assistance beneficiaries during the coronavirus pandemic.

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 is to inform you that Medicaid State plan amendment PA-23-0010 is approved effective May 7, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Kristina Mack at 617-565-1225 or Kristina.Mack-Webb@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Rory Howe
Director

Enclosures

<p>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</p>		<p>1. TRANSMITTAL NUMBER <u>2</u> <u>3</u> — <u>0</u> <u>0</u> <u>1</u> <u>0</u></p>	<p>2. STATE <u>PA</u></p>
<p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p>		<p>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI</p>	
<p>5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR 447 Subpart C</u></p>		<p>4. PROPOSED EFFECTIVE DATE <u>May 7, 2023</u></p>	
<p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19A, Page 21kk</u></p>		<p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>95,019,084</u> b. FFY <u>2024</u> \$ <u>0</u></p>	
<p>9. SUBJECT OF AMENDMENT <u>Additional Class of Disproportionate Share Payments to Qualifying Hospitals</u></p>		<p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Attachment 4.19A, Page 21kk</u></p>	
<p>10. GOVERNOR'S REVIEW (Check One)</p> <p><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</p> <p style="text-align: right;"><input checked="" type="radio"/> OTHER, AS SPECIFIED:</p>			
<p>11. SIGNATURE OF STATE AGENCY OFFICIAL </p>	<p>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</p>		
<p>12. TYPED NAME <u>Valerie A. Arkoosh, MD, MPH</u></p>	<p>14. DATE SUBMITTED <u>May 11, 2023</u></p>		
<p>13. TITLE <u>Acting Secretary of Human Services</u></p>	<p>FOR CMS USE ONLY</p>		
<p>16. DATE RECEIVED <u>May 11, 2023</u></p>	<p>17. DATE APPROVED <u>July 7, 2023</u></p>		
<p>PLAN APPROVED - ONE COPY ATTACHED</p>			
<p>18. EFFECTIVE DATE OF APPROVED MATERIAL <u>May 7, 2023</u></p>	<p>19. SIGNATURE OF APPROVING OFFICIAL </p>		
<p>20. TYPED NAME OF APPROVING OFFICIAL <u>Rory Howe</u></p>	<p>21. TITLE OF APPROVING OFFICIAL <u>Director, Financial Management Group</u></p>		
<p>22. REMARKS</p>			

ADDITIONAL CLASS OF DISPROPORTIONATE SHARE PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make disproportionate share hospital (DSH) payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals that provide inpatient services to MA beneficiaries. These payments are intended to provide financial relief to hospitals and promote access to acute care services for MA beneficiaries during the coronavirus pandemic.

A hospital is eligible for this additional class of DSH payments if the hospital is enrolled in the MA Program as an acute care general hospital, and the hospital submitted a Fiscal Year (FY) 2017-2018 MA-336 hospital cost report. The source of the information is the FY 2017-2018 MA-336 Hospital Cost Report, as available to the Department on April 7, 2020.

The Department will determine a qualifying hospital's annual payment amount by multiplying the hospital's number of Pennsylvania MA inpatient acute care days, both fee-for-service and managed care, by either:

- a) \$168.80 for qualifying hospitals with at least 90% MA dependence percent ranking; or,
- b) \$135.05 for qualifying hospitals with at least 75% but less than 90% MA dependence percent ranking; or,
- c) \$101.27 for qualifying hospitals with at least 50% but less than 75% MA dependence percent ranking; or,
- d) \$67.52 for qualifying hospitals with less than 50% MA dependence percent ranking.

For purposes of these DSH payments, the Department determines each hospital's MA dependence statistic by dividing the hospital's Pennsylvania MA inpatient acute care days, both fee-for-service and managed care, by the hospital's total hospital inpatient acute care days. The Department determines each hospital's MA dependence percent ranking using the hospital's MA dependence statistic in relation to all eligible hospitals.

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 class of DSH payments to qualifying hospitals as a result of a qualifying hospital exceeding its hospital-specific DSH limit.

For FY 2022-2023, the Department will allocate an annualized amount of \$170.421 million in total funds (State and Federal) for these DSH payments, adjusted to reflect the reconciliation factor described in Part VI.