

## **Table of Contents**

**State/Territory Name: PA**

**State Plan Amendment (SPA) #: 25-0005**

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



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**Financial Management Group**

April 22, 2025

Valerie A. Arkoosh, MD, MPH  
Secretary of Human Services  
Commonwealth of Pennsylvania Department of Human Services  
Office of Medical Assistance Programs Bureau of Policy, Analysis and Planning  
PO Box 2675  
Harrisburg, Pennsylvania 17105-2675

RE: TN 25-0005

Dear Secretary Arkoosh,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Pennsylvania state plan amendment (SPA) to Attachment 4.19-A PA 25-0005, which was submitted to CMS on February 25, 2025. This plan amendment establishes a new class of disproportionate share hospital (DSH) payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals to promote access to comprehensive inpatient services for MA eligible persons.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 19, 2025. 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 Kristina Mack at 617-565-1225 or via email at [Kristina.Mack-Webb@cms.hhs.gov](mailto:Kristina.Mack-Webb@cms.hhs.gov).

Sincerely,

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

Director  
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER

2 5 — 0 0 0 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

January 19, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 4,355,000

b. FFY 2026 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21yy

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

New

9. SUBJECT OF AMENDMENT

Additional Class of Disproportionate Share Hospital 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

Valerie A. Arkoosh, MD, MPH

13. TITLE

Secretary of Human Services

14. DATE SUBMITTED

February 25, 2025

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 25, 2025

17. DATE APPROVED

April 22, 2025

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 19, 2025

19. SIGNATURE OF APPROVING OFFICIAL

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 to qualifying Medical Assistance (MA) enrolled acute care hospitals to promote access to comprehensive inpatient services for MA eligible persons by assuring an adequate supply of healthcare professionals who have been trained in rural hospital settings.

A hospital is eligible for this additional class of DSH payment if the hospital meets all the following criteria:

- a) The hospital is enrolled in the Pennsylvania MA Program as a general acute care hospital;
- b) The hospital is licensed by Pennsylvania's Department of Health;
- c) The hospital is located in a county of the fourth class;
- d) The hospital is associated with a state-related institution, as defined in the Pennsylvania Procurement Code (62 Pa.C.S §103) as of September 1, 2024, that has a campus in the same 4<sup>th</sup> class county;
- e) The hospital had at least 220 beds available based on its Fiscal Year (FY) 2021-2022 MA-336 Hospital Cost Report available to the Department as of July 10, 2024; and
- f) The hospital qualified for DSH Payment to Small and Sole Community Hospitals under page 21p of State Plan Attachment 4.19A in FY 2023-2024.

Payments will be divided proportionately among qualified hospitals based on each hospital's fee-for-service (FFS) Pennsylvania MA inpatient discharges to total FFS Pennsylvania MA inpatient discharges for all qualifying hospitals as reported on the FY 2018-2019 MA-336 Medicaid Hospital Cost Report (available to the Department as of June 22, 2021).

All payment limitations are applicable, including those limitations that the Commonwealth may not exceed its aggregate annual DSH allotment and that no hospital may receive DSH payment 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.

For FY 2024-2025, the Department will allocate \$7.905 million in total funds for these DSH payments, effective January 19, 2025.