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State/Territory Name: PA

State Plan Amendment (SPA) #: 25-0016

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 30, 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 25-0016

Dear Secretary of Human Services Arkoosh:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Pennsylvania state plan amendment (SPA) to Attachment 4.19-A PA 25-0016, which was submitted to CMS on June 17, 2025. This plan amendment increases the funding for disproportionate share hospital (DSH) payments to qualifying acute care general hospitals that provide enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

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 expenditure under the plan, as required by 1902(a)(2), and 1923 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 June 15, 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.

Sincerely,

A black rectangular box redacting the signature of Rory Howe.

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 5 — 0 0 1 6

2. STATE

PA3. 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

June 15, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024\$ 0b. FFY 2025\$ 25,141,738

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19A, Page 21a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 21a

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

June 17, 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

June 17, 2025

17. DATE APPROVED

July 30, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

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 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.

For FY 2024-2025, effective June 15, 2025, the Department will distribute \$45.638 million in total funds for these DSH payments by September 30, 2025.