

## **Table of Contents**

**State/Territory Name: PA**

**State Plan Amendment (SPA) #: 25-0018**

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**

December 10, 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 25-0018

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 25-0018, which was submitted to CMS on September 18, 2025. This plan amendment continues the funding of inpatient disproportionate share hospital (DSH), outpatient supplemental, direct medical education payments, and certain DSH and supplemental payments for new hospitals.

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), 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 September 14, 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. STATE

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

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY \_\_\_\_\_ \$ \_\_\_\_\_

b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

9. SUBJECT OF AMENDMENT

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

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

For State Fiscal Year 2019-2020, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$256.360 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2020-2021, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.730 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2021-2022, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.556 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2022-2023, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.655 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2023-2024, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.655 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2024-2025, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.655 million, as adjusted to reflect the reconciliation factor described in Part VI.

For State Fiscal Year 2025-2026, the Department shall distribute to providers that are eligible for direct medical education, inpatient disproportionate share and outpatient supplemental payments an aggregate annualized amount of \$255.626 million, as adjusted to reflect the reconciliation factor described in Part VI.

- (C) Except as provided in (D), beginning in FY 2013-2014, for the second and subsequent full FY of PA MA enrollment of a new hospital that qualifies for one or more of these payments, the payments will be annualized if the first full FY payment had been prorated as described in (B)(2) and (B)(3), or the source data will be annualized prior to determining the annual payment allocation if the source data was not annualized as described in (B)(1).
- (D) For each of the payments listed in (B) for new hospitals, the Department will determine a final payment amount using actual MA data relating to the new hospital's first full FY of enrollment once that data becomes available. The Department will reconcile payments made to final payment amounts subject to available funding as approved in (E).
- (E) For FY 2025-2026, effective September 14, 2025, the Department will distribute an annualized amount of \$4.755 million in total funds for these DSH and supplemental payments adjusted to reflect the reconciliation factor described in Part VI.