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State/Territory Name: PA

State Plan Amendment (SPA) #: 26-0018

This file contains the following documents in the order listed:

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

September 3, 2026

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 26-0018

Dear Secretary of Human Services Arkoosh:

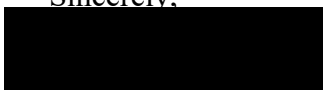
The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Pennsylvania state plan amendment (SPA) to Attachment 4.19-A PA 26-0018, which was submitted to CMS on June 25, 2026. This plan amendment establishes a new class of supplemental payments to qualifying Medical Assistance (MA) enrolled acute care general hospitals that are impacted by the closure of a hospital in a county that declared an emergency due to hospital closures.

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 June 14, 2026. 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,



Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26-0018

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
June 14, 2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 16,018,349
b. FFY 2027 $ 0

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*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

9. SUBJECT OF AMENDMENT
Additional Class of Supplemental 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
Valerie A. Arkoosh, MD, MPH

13. TITLE
Secretary of Human Services

14. DATE SUBMITTED
June 25, 2026

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 25, 2026

17. DATE APPROVED
September 3, 2026

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

Instructions on Back

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CARE

ADDITIONAL CLASS OF SUPPLEMENTAL PAYMENTS TO QUALIFYING HOSPITALS

The Department of Human Services (Department) will make supplemental payments to qualifying acute care general hospitals enrolled in the Medical Assistance (MA) Program that are impacted by the closure of a hospital in a county that declared an emergency due to hospital closures.

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

a) The hospital is enrolled in Pennsylvania's (PA) MA Program as an acute care general hospital, licensed by the PA Department of Health; and
b) The hospital is located in a county of the Second Class A that declared an emergency due to hospital closures during Fiscal Year (FY) 2024-2025; and
c) The hospital is located within 15 miles of a hospital that closed during FY 2024-2025; and
d) Fewer than five acute care general hospitals are enrolled in PA MA in that county.

Payments will be divided among qualifying hospitals as follows:

a) Two thirds shall be distributed proportionally based on the fee-for service (FFS) PA MA inpatient acute care days to the total FFS PA MA inpatient acute care days for eligible hospitals located in a township of the second class, in the same county as the closed hospital; and
b) One third shall be distributed proportionally based on the FFS PA MA inpatient acute care days to the total FFS PA MA inpatient acute care days for eligible hospitals located in contiguous boroughs in the same county as the closed hospital.

For purposes of payment distribution, the source of the information for FFS MA inpatient acute care days is the FY 2023-2024 MA-336 Hospital Cost Report available to the Department as of August 12, 2026.

Supplemental payments are subject to the regulations at 42 CFR 447.272 and the application of upper payment limits for inpatient services.

For FY 2025-2026, effective June 14, 2026, the Department will distribute $22.018 million in total funds (State and Federal) for these inpatient supplemental payments by December 31, 2026.