Table of Contents

State/Territory Name: PA

State Plan Amendment (SPA) #: 26-0020

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 S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

November 19, 2026

Valerie A. Arkoosh, MD, MPH
Secretary of Human Services
Office of Long-Term Living/Forum Place 6th Fl
ATTN: Bureau of Policy Development and Communications Management
PO Box 8025
Harrisburg, Pennsylvania 17105-8025

RE: TN 26-0020

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-D PA 26-0020, which was submitted to CMS on September 29, 2026. This plan amendment relates to county nursing facility services to provide for the continue use of the budget adjustment factor (BAF) for county nursing facility payment rates for the 2026-2027 and 2027-2028 rate years.

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 July 1, 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,

[redacted]

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 — 0020

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
July 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 .250

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

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19D Part Ia, Page 1a and 1b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19D Part Ia, Page 1a and 1b

9. SUBJECT OF AMENDMENT
Extension of the Budget Adjustment Factor (BAF) and BAF formula for Rate Years 2026-2027 through 2027-2028.

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 Arkoosh, MD, MPH

13. TITLE
Secretary of Human Services

14. DATE SUBMITTED
September 29, 2026

15. RETURN TO
PA Department of Human Services
Office of Long-Term Living/Forum Place 6th Fl.
Attention: Bureau of Policy Development and Communications Management
P.O. Box 8025
Harrisburg, Pennsylvania 17105-8025

FOR CMS USE ONLY

16. DATE RECEIVED
September 29,2026

17. DATE APPROVED
November 19, 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

4. For rate setting year 2009-2010 and 2010-2011, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated aggregate increase in the Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the aggregate percentage rate of increase for the period that begins July 1, 2005 and ends on June 30, 2011 is limited to the amount permitted by the funds appropriated from the Pennsylvania Legislature. The formula for this budget adjustment factor as it applies to county nursing facilities for the 2009-2010 rate year is as follows: BAF = 1.00 + 0.01. For the rate year beginning July 1, 2009, and ending June 30, 2010, the per diem rate paid to a county nursing facility for an MA resident will be the facility's July 1, 2008 per diem rate calculated in accordance with paragraph 1 above, multiplied by the budget adjustment factor of 1.01.

5. For rate setting year 2011-2012 and 2012-2013, the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county and non-public nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated from the Pennsylvania Legislature. For the rate year 2011-2012 and 2012-2013, the per diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under Chapter 1189, Subchapter D and § 1189.91(b) multiplied by the applicable budget adjustment factor. The budget adjustment factor for 2011-2012 as it applies to county nursing facilities is 1.0 and the budget adjustment factor for 2012-2013 as it applies to county nursing facilities is 1.0.

6. For rate setting years 2013-2014 through 2015-2016, 2016-2017 through 2018-2019, 2019-2020 through 2021-2022, 2022-2023 through 2025-2026, and 2026-2027 through 2027-2028 the Department will apply a budget adjustment factor to county and non-public nursing facility payment rates for medical assistance nursing facility services. The budget adjustment factor shall limit the estimated Statewide day-weighted average payment rate for medical assistance nursing facility services for county nursing facilities so that the average payment rate is limited to the amount permitted by the funds appropriated from the Pennsylvania Legislature. The formula for the budget adjustment factor as it applies to county nursing facilities is as follows: BAF = 1.00 + the percentage rate of change permitted by the funds appropriated from the Pennsylvania Legislature for the applicable rate year. For the rate years 2013-2014 through 2015-2016, 2016-2017 through 2018-2019, 2019-2020 through 2021-2022, 2022-2023 through 2025-2026, and 2026-2027 through 2027-2028 the per

diem rate paid to a county nursing facility for an MA resident will be the facility's prior year per diem rate as calculated under 4.19D Part 1a, Supplement I multiplied by the applicable budget adjustment factor.

7. New county nursing facility. The per diem rate paid to a new county nursing facility for an MA resident will be the statewide average of all other county nursing facilities' per diem rates for the same rate setting year as established above.