Table of Contents

State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA 26-0023

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form
3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

November 18, 2026

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

RE: PA-26-0023

Dear Secretary Arkoosh,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Pennsylvania state plan amendment (SPA) to Attachment 4.19B 26-0023 which was submitted to CMS on September 30, 2026. This SPA is making updates to the Medical Assistance Program Fee Schedule.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 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 August 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 Lindsay Michael at lindsay.michael@cms.hhs.gov

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

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: 26-0023

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
August 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Section 1902(a)(30)(A)

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 4.19B pages 1, 2b, 2bb, 3

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19B pages 1, 2b, 2bb, 3

9. SUBJECT OF AMENDMENT
Updates to the Medical Assistance Program Fee Schedule

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
9/30/26

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
9/30/26

17. DATE APPROVED
November 18, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
8/1/26

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, DRR

22. REMARKS

Instructions on Back

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE

1. Individual Practitioners, i.e., Physicians, Dentists, Chiropractors, Optometrists, Podiatrists

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of physician, dentist, chiropractor, optometrist, and podiatrist services. The agency's fee schedule rate was set as of August 1, 2026, and is effective for services provided on or after that date. All rates are published on the Department of Human Services' website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html.

2. Prescribed Drugs

A. Method of Payment - The Department's payment for a compensable brand name drug or generic drug is based on Actual Acquisition Cost (AAC), as defined in 42 CFR 447.502, plus a professional dispensing fee.

1. For brand name drugs, payment is the lower of
   - The provider's usual and customary charge to the general public,
   - The National Average Drug Acquisition Cost (NADAC) plus a professional dispensing fee, or
   - In the absence of a NADAC, Wholesale Acquisition Cost (WAC) minus 3.3%, plus a professional dispensing fee.

2. For generic drugs, payment is the lower of
   - The provider's usual and customary charge to the general public,
   - The NADAC plus a professional dispensing fee, or
   - In the absence of a NADAC, WAC minus 50.5%, plus a professional dispensing fee.
   - The CMS established Federal Upper Limit (FUL) plus a professional dispensing fee, or
   - The Department's State Maximum Allowable Cost (State MAC), plus a professional dispensing fee.

3. Professional Dispensing Fee – The professional dispensing fee is $10.00, based on a State-conducted survey of enrolled pharmacies. For Medical Assistance beneficiaries with a pharmacy benefit resource which is a primary third-party payer to Medical Assistance, the Department will pay a $0.50 claim transmission fee.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENTS RATES-OTHER TYPES OF CARE

SERVICES	LIMITATIONS
3. Outpatient Clinic Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient clinic services. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html State Agency Fee Schedule Based on Established Criteria.* Outpatient clinic provider qualifications are located under item 9a. "Independent Medical Clinics", in Attachment 3.1A/3.1B. Payment Limitations Clinic visits are limited to one visit per day per MA beneficiary for the same condition. Clinics have the option of billing either the fee for a specific compensable procedure performed in the clinic or, but not in addition to, the flat visit fee, except that diagnostic medical services such as electrocardiograms, electroencephalograms, electromyographies and diagnostic or therapeutic radiology services provided during routine examination and treatment services are compensable in addition to the flat visit fee or fee for a specific compensable procedure. Endoscopic procedures, such as rhinoscopy, otoscopy or indirect laryngoscopy performed in the course of the visit are not compensable in addition to the flat visit fee.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENTS RATES-OTHER TYPES OF CARE

SERVICES	LIMITATIONS
4. Dental Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of dental services. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—OTHER TYPES OF CARE

CARE OR SERVICE	POLICY/METHODS USED TO ESTABLISH PAYMENT RATES
10. Prosthesis, Appliances, Medical Equipment and Supplies	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of prosthesis, appliances, medical equipment and supplies. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html State Agency Fee Schedule Based on Established Criteria.* 1. One (1) month's rental fee, according to the fee schedule rate, will be applied to the purchase price of durable medical equipment. 2. Home health agencies are not reimbursed for supplies routinely needed as part of furnishing home health care.
11. Laboratory and X-ray Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of laboratory and x-ray services. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html State Agency Fee Schedule Based on Established Criteria.*
12. Public and Private Skilled Nursing Facility Services	See Attachment 4.19-D.
13. Public and Private Intermediate Care	See Attachment 4.19-D.
14. ICF/MR (Intermediate Care Facility Services for the Intellectually Disabled)	See Attachment 4.19-D.
15. Other Diagnostic, Screening, Preventive, and Rehabilitative Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of other diagnostic, screening, preventive, and rehabilitative services. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html State Agency Fee Schedule Based on Established Criteria.*
16. Outpatient Hospital Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient hospital services. The agency's fee schedule (rate) was last updated on August 1, 2026, and is effective for services provided on or after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html State Agency Fee Schedule Based on Established Criteria.* Hospitals that qualify for disproportionate share payments as per attachment 4.19A, Part III.
17. Inpatient Psychiatric Services	See Attachment 4.19-A.
18. Birth Center Services	Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of birth center services. The agency's fee schedule rates were set as of September 1, 2013, and is effective for services provided on and after that date. All rates are published on the agency's website at: https://www.pa.gov/agencies/dhs/resources/for-providers/ma-for-providers/ma-fee-schedule.html Freestanding birth centers are paid a facility fee. Physicians and Certified Nurse Midwives providing services in the freestanding birth centers are paid using fee schedule rates as referenced in section 4.19B, page 1 of the State Plan under Individual Practitioner Services. State Agency Fee Schedule Based on Established Criteria.*
19. Targeted service management for persons with intellectual disabilities	See Attachment 4.19B Page 8