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State/Territory Name: PA

State Plan Amendment (SPA) #: 23-0013

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

November 20, 2023

Valerie A. Arkoosh, MD, MPH
Secretary of Human Services
PA Department of Human Services
Attn: Bureau of Policy, Analysis and Planning
P.O. Box 2675
Harrisburg, PA 17105-2675

Reference: TN 23-0013

Dear Acting Secretary Arkoosh:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0013. This amendment proposes to continue the funding of inpatient disproportionate share hospital (DSH), outpatient supplemental and direct medical education payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment PA-23-0013 is approved effective September 24, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Kristina Mack at 617-565-1225 or Kristina.Mack-Webb@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 1 3</u>	2. STATE <u>PA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 24, 2023

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

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 \$ 0
b. FFY 2024 \$ 151,374,339

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19A, Pages 20aa and 21tt

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19A, Pages 20aa and 21tt

9. SUBJECT OF AMENDMENT
Aggregate Limits to Inpatient Disproportionate Share, Outpatient Supplemental and Direct Medical Education and Disproportionate Share Hospital and Supplemental Payments to Newly Enrolled In-State Hospitals that Qualify for Payments

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
September 29, 2023

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
September 29, 2023

17. DATE APPROVED
November 20, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
September 24, 2023

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

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.

- (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.

For FY 2023-2024, the Department will allocate an annualized amount of \$2.565 million for these DSH and supplemental payments adjusted to reflect the reconciliation factor described in Part VI.