

## FACTS ABOUT SUPPLEMENTAL MEDICAID PAYMENTS TO PENNSYLVANIA HOSPITALS

### MEDICAID SUPPLEMENTAL PAYMENTS ARE IMPORTANT TO THE MAJORITY OF PENNSYLVANIA HOSPITALS

Supplemental Medicaid payments are intended to provide critical reimbursement to those Pennsylvania hospitals that serve a disproportionate share of the state's most vulnerable and medically needy citizens. Across the state, hospitals receive supplemental payments under various methodologies because the base payments they receive do not fully cover the costs of treating Medical Assistance (MA) patients, and to ensure that these essential services are available.

ANY reduction in state funding for ANY supplemental payment results in **reductions in federal matching funds** to the commonwealth and puts quality of care and access to care at risk for vulnerable Pennsylvanians.

### OBSTETRIC AND NEONATAL SERVICES

The challenges that affect obstetrical services in the commonwealth demonstrate a growing trend of diminished access to obstetrical care for pregnant women, and signals the need for statewide solutions to address the problem. Ensuring access to appropriate prenatal, obstetrics, and postpartum services is an essential investment in Pennsylvania's future.

- The mounting pressure on access to obstetrical services in many areas of Pennsylvania is due in part to the closing, since 2000, of 47 hospital obstetrical units and many neonatal intensive care units.
- Recognizing that MA funds nearly half of all births each year in Pennsylvania and is the most important source of financing for the cost of care provided to infants born prematurely and/or with medical problems. **There has been a 250 percent increase in newborn and mother hospitalizations due to opioid and substance-related addictions.**
- Medicaid funding must be maintained to assure continued access to obstetric services for all Pennsylvania expectant mothers and neonatal intensive care services for babies.

The obstetrical and neonatal supplemental funding has **the potential to impact approximately 60 Pennsylvania hospitals (both urban and rural) that ensure access to appropriate prenatal, obstetrics, and post-partum services for a high-volume of MA and uninsured patients.**





## CRITICAL ACCESS HOSPITALS

The purpose of the MA rural Critical Access Hospital program is to help ensure that vital health care services are available to MA patients and other low-income persons in the state's most rural areas.

The program establishes disproportionate share hospital payment for certain qualifying acute care general hospitals that provide inpatient services to the MA population in rural counties that have a high concentration of MA recipients.

There are currently 15 federally defined critical access hospitals receiving funding in Pennsylvania.



## BURN CENTERS

There are six burn centers in Pennsylvania, to which the Department of Human Services provides an additional payment in order to assist these facilities with their extremely high-cost cases.

These facilities continue to face challenges in terms of the complexity of the cases they treat, and the increasing cost burden of these patients from both in and out of the state of Pennsylvania.

### What Needs to Be Done:

- Maintain funding for health care for Pennsylvania's most vulnerable populations of people.
- Maintain important hospital supplemental funding for hospitals that serve large numbers of uninsured individuals, and hospitals that provide obstetrics, critical access, and burn services, so that hospitals are fairly compensated for providing services to Medicaid recipients.