Dateline: June 17, 2011

PA Legislature and Governor Corbett Close to Agreement on $27B State Budget

PA Senate and House budget negotiators and the Corbett administration are seeking to wrap up discussions on the state budget well before the June 30 deadline. While a final budget amount in the range of $27.3 billion to $27.15 billion seems within reach, negotiators have still to decide the amount of state surplus that will be drawn and how much to spend. Negotiations are continuing over several line items in the budget, including welfare, basic education, pre-K-12 block grants and higher education. Despite a reluctance to be specific about the discussions, negotiators are saying that the size of cuts in social and human service programs is the biggest unresolved matter between the sides. The House and Senate are pushing the Corbett administration for more than $300 million in spending reductions to the welfare budget. Restoration of an $87 million cut to state funding for hospitals is still being discussed. The Senate is reportedly pushing to restore $150 million more for pre-K-12 restorations and nearly $70 million in higher education restorations. FMI: See PA Budget Roundup at www.politicspa.com.

IDA Coalition Calls on Governor to Eliminate Proposed Funding Limit on Group Homes

On June 1 the PA Intellectual Disability and Autism (IDA) Coalition asked Governor Tom Corbett to include in next year’s budget adequate funding for room and board expenses for group homes serving people with intellectual disabilities. The IDA Coalition, a coalition of statewide organizations including PARF, said that the proposal to severely limit payment for room and board costs of operating group homes for people with intellectual disabilities would have catastrophic consequences for thousands of the very people Governor Corbett have pledged to protect. The Coalition said that a further review by the administration has found that the rationale and the data that were used to support this proposal were faulty and incomplete. FMI: Contact PARF at parfmail@parf.org.

BH Coalition Asks Senate to Reject Cuts in Behavioral Health Services

On June 13, the PA Behavioral Health (BH) Coalition sent a letter to PA Senate Appropriations Committee Chair Jake Corman (R-Centre County) expressing serious concern regarding proposed cuts to behavioral health services. The BH Coalition, a coalition of statewide organizations including PARF, asked that the Governor’s proposed level of funding be sustained during budget negotiations. The BH Coalition noted that Governor Corbett’s proposed budget protected funding for behavioral health services to the extent possible while the recently passed House proposal does not protect such funding. The House budget included significant cuts to the Behavioral Health Services Initiative (BHSI) and the Medical Assistance Transportation Program (MATP). Also, the House budget proposal cuts $1 million dollars from the Department of Health Bureau of Drug and Alcohol Programs for the administrative costs that would be incurred in establishing a new Department of Drug and Alcohol. The BH Coalition recommends that the establishment of a newly designated department be put on hold. FMI: Contact PARF at parfmail@parf.org.
Governor Corbett Signs Unemployment Compensation Reforms into Law

On June 17 PA Governor Tom Corbett signed into law Senate Bill 1030, continuing the federally funded 13-week period of extended unemployment compensation benefits while reforming unemployment compensation. The new law immediately avoids the loss of unemployment compensation benefits for 45,000 jobless workers in Pennsylvania while instituting reforms that will have a longer term effect. Under the reforms the new law caps increases in the maximum weekly benefit and limits benefits for workers laid off with severance packages. The law freezes the maximum weekly benefit payment at $573 in 2012 and then slows the rate of growth in those payments in subsequent years to 1 percent to 1.5 percent. The maximum weekly payment is now $572. The new law also counts severance pay of more than $17,800 against benefits. It tightens work-search requirements for all jobseekers, requiring unemployed workers to search for work in order to receive unemployment compensation benefits. In addition, the new law creates a shared-work program under which employers would be able to reduce the work hours for their employees by 20 percent as an alternative to a layoff and allow the individuals to receive pro-rated unemployment compensation benefits for lost wages. Also under the new law low earners will be required to have worked longer and to have made more money to be eligible for benefits. The new law is estimated to save an estimated $114 million a year. FMI: See www.dli.state.pa.us.

L&I Updates Regulations on Unemployment Compensation

In the June 18 edition of the Pennsylvania Bulletin, the PA Department of Labor and Industry Office of Unemployment Compensation Tax Services (UCTS) published final regulations relating to responsibilities of employers under the Pennsylvania laws. The final-form rulemaking covering 50 sections of the Department's regulations updates the regulations to conform to current law and practice. The final-form rulemaking rescinds 12 sections of Chapter 63 and partially deletes additional sections. FMI: See www.pabulletin.com.

Rally for Dental Anesthesia Mandate

On June 14 at a rally in the Capitol Rotunda state lawmakers were urged to pass legislation requiring insurance companies to cover the costs of general anesthesia for young children and patients with special needs. The Children and Special Needs Patient Access to Quality Dental Care Act (HB532) would require group and individual health insurance policies to cover general anesthesia and its associated medical costs (hospitalization and related medical expenses) for children age seven and younger or persons who are developmentally disabled that are undergoing dental procedures. This mandate would apply regardless of whether the dental procedure is performed in a health care facility or dental office setting. FMI: See www.legis.state.pa.us. See http://www.paoralhealth.org/blog/pda-urges-lawmakers-to-require-general-anesthesia-coverage/.

PA House Health Human Services Committee Investigates Prescription Drug Abuse

The House Human Services Committee held a public hearing on June 16 on House Bill 1651 establishing the Pharmaceutical Accountability Monitoring System (PAMS) and imposing penalties. The PAMS would increases a prescription drug database to monitor and control the excessive distribution of legal prescriptions. House Bill 1651 will be the subject of another hearing by the House Human Services Committee on June 23. FMI: See www.legis.state.pa.us.
DPW Announces Change in Payment for Freestanding Rehabilitation Hospitals

In the June 18 2011 edition of the Pennsylvania Bulletin the Pennsylvania Department of Public Welfare (DPW) announced a $4.2 million increase in payments to freestanding rehabilitation hospitals. Under the title Disproportionate Share and Supplemental Hospital Payments DPW announced its intent to change the formula used to calculate the disproportionate share hospital (DSH) payments to small and sole community hospitals and the Medical Assistance (MA) Rehabilitation Adjustment Payments authorized under the Commonwealth's Medicaid State Plan. DPW explained that it had published a notice on September 25, 2010 announcing its intent to modify certain existing DSH and supplemental payments and to establish several new DSH and supplemental payments to hospitals using revenues from the Quality Care Assessment Account. Following publication of this notice, DPW submitted a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) authorizing these changes. CMS approved the SPA authorizing these payments and payment methodologies effective December 29, 2010.


DSH Payment Changes for Hospitals and MA Rehabilitation Adjustment = $4.198 million

In its Pennsylvania Bulletin announcement on June 18 the PA Department of Public Welfare (DPW) described changes to the disproportionate share hospital (DSH) Payments to small and sole community hospitals and changes to the MA Rehabilitation Adjustment Payment. Under the approved State Plan Amendment (SPA), freestanding rehabilitation hospitals that qualify for a MA Rehabilitation Adjustment Payment receive a payment amount equal to 92% of the total inpatient MA fee-for-service (FFS) payment amount made to the hospital as reported in the hospital's FY 2007-2008 MA cost report available to DPW as of July 2010. Since CMS approval of this payment, an additional $4.2 million has been allocated to this payment. DPW is proposing to increase the aggregate amount of the MA Rehabilitation Adjustment Payments to $18.619 million and the percentage used to determine the payment amount for each qualifying freestanding rehabilitation hospital to 116% of a hospital's FY 2007-2008 inpatient MA FFS payments. Interested persons are invited to submit written comments to the Department of Public Welfare, Office of Medical Assistance Programs, c/o Regulations Coordinator, Room 515, Health and Welfare Building, Harrisburg, PA 17120. Comments received by July 18 will be reviewed and considered for any subsequent revision of the notice. Bill Miller, Senior Associate, S.R. Wojdak & Associates, is schedule to review the DPW announcement at the June 22 meeting of the PARF Medical Division. FMI: See http://www.pabulletin.com/secure/data/vol41/41-25/1025.html.

PHC4 Releases 2010 Annual Report

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ODP Reviews New Rate Policies with PARF

On June 15 PA DPW Office of Developmental Programs (ODP) Bureau Director Joe Church presented a review of current fiscal policies to the PARF MH MR Finance Committee. Church indicated that direct care providers FY2012 rates were currently being loaded into HCSIS and that providers would be able to access their rates on HCSIS on Thursday, June 16. Church said that ODP would also be sending providers their FY2012 Rate Letters electronically. Church also reported that ODP is planning to carry out the FY2011 Revenue Reconciliation process as originally proposed – with a Period 2 (November 2010 – February 2011) and Period 3 (March 2011 – June 2011) reconciliation. Church said that ODP is currently working on updating Waiver providers’ Revenue Targets for Period 2. ODP expects to issue a preliminary Period 2 Revenue Target letter (similar to the December, 17, 2010 Period 1 preliminary letter) on or about July 7, 2011. Church said that providers will then have until approximately July 26 to work with their ODP Regional office to address any issues with the preliminary letter. ODP then expects to issue final Period 2 Revenue Reconciliation letters to providers on or about September 2, 2011. In reference to ODP Announcement 007-11 issued on January 14, 2011 and ODP plans to incorporate the use of an Occupancy Factor in the reimbursement methodology for Residential services for FY2012, Church said that ODP has decided to not implement the Residential Occupancy Factor reimbursement system. He said that providers will continue to invoice PROMISe for Residential services similar to the current (FY2011) methodology. FMI: Contact PARF at parfmail@parf.org

DPW Releases Notices on ODP Rates, Payments and Policies

On June 16 PA Department of Public Welfare (DPW) Office of Developmental Programs (ODP) released notices on payment and policies affecting home and community services provided to people with intellectual disabilities served under Medicaid waiver programs. ODP released Informational Memo # 074-11 as an update to the Consolidated Waiver, P/FDS Waiver and, when applicable, base funded services, effective July 1, 2011. ODP notes that the information related to the proposed cost report payment rates, Medical Assistance (MA) fee schedule rates and Department established fees outlined in Informational Memo # 074-11 are contingent on the final budget enacted by the General Assembly. ODP says that the FY 2011-2012 proposed rates and fees in HCSIS should be used to process claims submitted to the Provider Reimbursement and Operations Management Information System in electronic format (PROMISe™) for services provided during FY 2011-2012 until a notice announcing final rates is published. According to the memo the following non-Residential services have been placed on the ODP Fee Schedule effective July 1: Unlicensed Home & Community Habilitation; Licensed Day Habilitation (ATF); Prevocational Services; Supported Employment; Transitional Work Service; and, All Waiver-funded Respite Services excluding Respite Camp. ODP says that as part of DPW efforts to continue to align rates and rate-setting methodology across all offices and programs, DPW-ODP has finalized the FY 2011-2012 rate setting methodologies. The processes and changes apply to Consolidated Waiver, P/FDS Waiver services/rates and when applicable base-funded services/rate, effective July 1, 2011. A copy of the 11 12 Proposed Rate Letter was also sent to all providers. FMI: See www.odpconsulting.net. For more information contact PARF at parfmail@parf.org.
Prudent Payment of Claims Policy to be Applied to Consolidated and P/FDS Waiver

On June 16 PA DPW Office of Developmental Programs (ODP) released Informational Packet #075-11 to direct service providers including Consolidated and Person/Family Directed Support (P/FDS) Providers and Supports Coordination Organizations (SCOs). The packet provides notification that the Prudent Payment of Claims policy will be enforced effective July 1, 2011. ODP says that original claim submissions, resubmitted claims and claim adjustments submitted to PROMISeTM for Consolidated and P/FDS Waiver services with a claim submission date of July 1, 2011 and forward will be subject to the Prudent Payment of Claims policy. FMI: See www.odpconsulting.net or email PARF at parfmail@parf.org.

DPW Provides Directions to Access Rates in HCSIS

On June 17, PA DPW Office of Developmental Programs (ODP) issued Announcement Alert #076-11 providing directions so that providers may retrieve in HCSIS the proposed service rates for FY 2011-2012. The proposed rates were released on June 16. Specific directions are provided to Administrative Entities (AEs), Supports Coordination Organizations (SCOs), and Direct Service Providers. PARF received a copy of the letter from the PA Department of Public Welfare (DPW) Bureau of Financial Management & Budget - Division of MR Planning and Accountability. PARF asked its members to review the documents that they received directly from ODP and report to PARF immediately on the impact of the new fee schedule rates as well as policies, fees and rates that were announced. FMI: See www.odpconsulting.net. Contact PARF at parfmail@parf.org.

IRRC Comments on Proposed OT Continuing Competency Requirements

In the June 18 edition of the Pennsylvania Bulletin, the Independent Regulatory Review Commission (IRRC) reported that on June 8 it had issued comments on regulations proposed by the State Board of Occupational Therapy on education and licensure as well as continuing competency of occupational therapists. The regulations proposed by the State Board of Occupational Therapy were published on April 9, 2011. In its comment letter the IRRC offered extensive comment on the need, expectations and costs of continuing competency requirements in the proposed regulations. The IRRC asked the Board to explain why a national standard or guideline was not adopted in its entirety. The agencies must consider the IRRC comments in preparing the final-form regulation. The final-form regulation must be submitted within 2 years of the close of the public comment period or it will be deemed withdrawn. For a review of the IRRC comments and for additional comments, see http://www.irrc.state.pa.us/regulation_details.aspx?IRRCNo=2892 http://www.irrc.state.pa.us/.
Dateline: June 17, 2011

CMS Updates FY 2011 IRF PPS PC Pricer

On June 15 the Centers for Medicare and Medicaid Services (CMS) posted the updated Fiscal Year (FY) 2011 Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) PC Pricer with corrected provider data. The PC Pricer is available for download from the Centers for Medicare & Medicaid Services (CMS) web page at http://www.cms.gov/PCPricer/06_IRF.asp. If you use the IRF PPS PC Pricer, please go to the page and download the latest version of the FY 2011 PRICERS, updated 06/15/2011, in the Downloads section.

MedPAC Releases Report to Congress

On June 15 the Medicare Payment Advisory Commission (MedPAC) released its June 2011 Report to the Congress on Medicare and the Health Care Delivery System. The report did not include a chapter specific to rehabilitation hospital payment policies. The MedPAC report includes recommendations to help motivate and support quality improvement among health care providers who treat Medicare patients. The recommendations would fundamentally restructure Medicare’s Quality Improvement Organization (QIO) program. MedPAC also offers recommendations concerning ancillary services, such as diagnostic imaging and other tests. In its report MedPAC examines the sustainable growth rate system (SGR) as well as addressing the coordination of care dual-eligible beneficiaries and the use of federally qualified health centers. FMI: See www.medpac.gov.

HHS To Fund Community Transformation Grants Program

On June 16 the U.S. Department of Health and Human Services (HHS) announced a funding opportunity for national networks of community-based organizations to apply for more than $4 million in cooperative agreements. The funds will help support, disseminate, and amplify the evidence-based strategies of the Community Transformation Grants (CTG) program in communities nationwide. CTG focus on implementing evidence-based strategies in five priority areas: 1) tobacco-free living; 2) active living and healthy eating; 3) evidence-based quality clinical and other preventive services, specifically prevention and control of high blood pressure and high cholesterol; 4) social and emotional wellness, such as facilitating early identification of mental health needs and access to quality services, especially for people with chronic conditions; and 5) healthy and safe physical environments. National networks of community-based organizations can find more information at www.grants.gov by searching for CDC-RFA-DP11-1115PPHF11. The application deadline is July 22, 2011. FMI: See http://www.healthcare.gov/news/factsheets/prevention06162011a.html. See also www.cdc.gov/communitytransformation/network.

CMS Hospital & Hospital Quality Open Door Forum

CMS Hospital & Hospital Quality Open Door Forum will be held on July 13, 2011 at 2:00 PM Eastern Standard Time (EST). Please dial in at least 15 minutes prior to call start time. To participate by phone-Dial: 1-800-837-1935 & Reference Conference ID: 68627432. Persons participating by phone are not required to RSVP. TTY Communications Relay. Services are available for the Hearing Impaired. For TTY services dial 7-1-1 or 1-800-855-2880. A Relay Communications Assistant will help. FGMI: See www.cms.gov.
CMS Proposes New Standards for Community Mental Health Centers

On June 16 the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule that is designed to improve the quality and safety of treatment provided to more than 25,000 Medicare beneficiaries who receive care at Community Mental Health Centers (CMHCs) each year. The notice of proposed rulemaking would establish conditions of participation (CoPs) for CMHCs for the first time. The proposed rule includes health and safety standards for CMHCs that participate in the Medicare program, and are an important step in CMS’ commitment to assuring the delivery of safe, quality care to clients of CMHCs. In particular, the proposed new conditions focus on a client-centered, outcome-oriented approach. As part of the proposed rule, CMS highlights steps CMHCs would be required to take in order to protect clients while under their care, aimed at meeting the specific needs of individual clients. In particular, CMS proposes new standards for CMHCs in the following areas: (a) Establishing qualifications for CMHC employees and contractors; (b) Requiring CMHCs to notify clients of their rights and to investigate and report violations of client rights. These proposed requirements also promote continuity of care by emphasizing the need for communication regarding client needs at the time of discharge or transfer; (c) Convening of a treatment team, developing an active treatment plan, and coordinating services to ensure an interdisciplinary approach to individualized client care; (d) Creating a Quality Assessment and Performance Improvement (QAPI) program. The QAPI program will require CMHCs to identify program needs by evaluating outcome and client satisfaction data and making changes, as necessary, to improve their quality of care; and (e) Setting organization, governance, administration of services, and partial hospitalization services requirements, with an emphasis on governance structure. CMS says that the proposed rule would add CMHCs to the list of provider and supplier types that are already subject to conditions of participation and conditions for coverage under Medicare. CMS will accept public comments on the proposed rule until August 16, 2011, and will respond to comments in a final rule to be published in the coming months. To submit comments, please visit http://www.regulations.gov and search for rule “CMS-3202-P.” The proposed rule is available online from the Federal Register at http://http://www.ofr.gov/inspection.aspx#regular

CMS Issues Updates on Community Based Care Transition and Partnership for Patients

The Centers for Medicare & Medicaid Services (CMS) has provided updates that pertain to the Community Based Care Transition Program and the Partnership for Patients. The Community Based Care Transition Program web page on the CMS web site has been updated providing upcoming panel review dates as well as application cut-off dates for each of the scheduled review dates. See the link below for the page providing dates: http://http://www.cms.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?itemID=CMS1239313

In addition the Partnership for Patients is teaming up with the National Quality Forum to launch a series of patient safety webinars, with the goal of helping organizations nationwide start and sustain changes that will lead to reduced health care-caused harm and cost. The webinars are free and available to all stakeholders. FMI: For additional information about the series and to register for this event, click on http://http://eo2.commpartners.com/users/pfp/ http://http://www.healthcare.gov/center/programs/partnership/index.html.