Pa Awarded $4.3M Grant for Health Insurance Rate Reviews

Pennsylvania will receive a $4.3 million grant from U.S. Department of Health and Human Services (HHS) under the Patient Protection and Affordable Care Act (ACA) to help fight health insurance premium increases. ACA requires as of September 1 that health insurers seeking to increase rates by 10 percent or more in the individual and small-group market must submit a request to experts to determine whether the rates are unreasonable. The Pennsylvania Insurance Department will use the funds to: (a) Introduce legislation to gain authority over commercial small-group rates by modifying Act 159; (b) improve rate filing requirements; (c) improve transparency and consumer interfaces, and; (d) train staff on new systems and technology. See related story below: “HHS Awards Grants to Oppose Unreasonable Increases in Health Insurance Premiums.” FMI: See www.state.pa.us.

DPW Receives Funding for Planning of Expansion of System of Care

On September 22 the PA Department of Public Welfare (DPW) announced that Pennsylvania is one of 19 states chosen to receive a federal System of Care Expansion Planning Grant to be used to better assist families and their children who experience serious emotional disabilities. The grant award totals $796,148 and was awarded to DPW by the U.S. Substance Abuse and Mental Health Services Administration. The department will use the money between October 1, 2011 and September 20, 2012 to develop a comprehensive strategic plan for expanding systems of care in Pennsylvania. FMI: See www.dpw.state.pa.us. For September 22 press release see http://www.state.pa.us/portal/server.pt/community/media/3013/home

PA Senate Committee Holds Hearing on ODP Payment

On September 28 the PA Senate Public Health and Welfare Committee will hold a hearing on the review of past payment practices of Office of Developmental Programs at 9:00 a.m. in Room 156 Main Capitol. To view a video and audio recording see http://www.pasenategop.com/ and scroll down to Wednesday, September 28 - 9 a.m. Review of the past payment practices of the Office of Developmental Programs Senate Public Health & Welfare Committee Majority Caucus Room.

DPW Shared Living Services RFI Consumer & Family Forum Rescheduled to October 6

On September 23 the PA Department of Public Welfare (DPW) Office of Developmental Programs (ODP) distributed ODP Announcement 125-11 to all consumers and families interested in providing feedback and responses to the Shared Living Services Request for Information (RFI). ODP indicated that the Shared Living Services RFI Consumer and Family forum has been rescheduled to Thursday, October 6, 2011 from 1:00 p.m. to 4:00 p.m. in the Rachel Carson Building, Room 105, Harrisburg, Pennsylvania. The forum provides an opportunity for interested parties to share their ideas and responses to the Shared Living RFI. DPW ODP also announced that the RFI response due date has been extended for the Commonwealth of Pennsylvania Shared Living Services until close of business Friday, October 7, 2011. See www.dpwconsulting.net.
PARF NEWS
Dateline: September 23, 2011

DPW Implements Limits on MA Services, Reviews Copayments for Loophole Children

On September 22 the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee (MAAC) received reports from the DPW Director of Bureau of Policy, Budget and Planning of the Office of Medical Assistance Programs (OMAP) Leesa Allen on new limitations on dental and pharmacy benefits under Medical Assistance as well as copayments for children services. Allen reported that limits on dental services for MA Recipients age 21 and over become effective September 30, 2011. She said that a notice would be published in the Pennsylvania Bulletin on September 24 and that consumers have received a 30-day notice of the change. The policy will allow for limited coverage for one set of upper arch, one set of lower arch or a full set of dentures per lifetime and one dental exam and prophylaxis every 180 days. It will eliminate coverage for crowns and endodontic and periodontal services. Persons residing in nursing facilities or intermediate care facilities are excluded. A formal process is included which provides for exceptions where DPW determines based on documentation that the person’s life would be in jeopardy without the service; denial of the service would result in rapid and serious deterioration of an existing serious chronic illness; providing the service would be more cost-effective for DPW or coverage of the service is required by federal law. (See related story below: “DPW Changes MA Dental Services Benefits.”) Allen said that a Medical Assistance bulletin on pharmacy limits is forthcoming. The criteria for exceptions will be the same as for dental services. Concerning services for loophole kids, Allen said that Act 22 of 2011 requires that DPW implement premiums or co-pays where the family’s income exceeds 200% of the FPIG. At this point DPW is assessing how to implement the requirement. Allen reported that there are approximately 58,000 children who qualify under the loophole and approximately 38,000 of those exceed the 200% of FPIG threshold. Allen said that many of these children are served in multiple systems, and many receive preventive services for which co-payments cannot be collected. In addition, federal requirements also apply and, in some cases, restrict collection of co-payments. Allen said that no decisions have been made yet and no timeline for implementation has been set.

FMI: See http://listserv.dpw.state.pa.us/Scripts/wa.exe?A2=ind11&L=maac-meeting-minutes&T=0&F=&S=&P=16053. Contact PARF at parfmail@parf.org.

DPW Seeks Comment on Expansion of HealthChoices

On September 22 the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee were informed by DPW Bureau of Managed Care Operations Director Joanie Morgan about the DPW proposal for expansion of HealthChoices to 42 counties. Morgan said that two zones – new East and New West – will be established with two MCOs selected per zone. Access Plus will continue in both zones. Therefore, consumers will have three choices. HealthChoices will replace the existing voluntary managed care program in both zones. There will be no benefit changes until at least 2013. Morgan reported on the schedule for implementation: A single RFP will be released in October 2011; responses will be due in November 2011; and, providers will be selected in January 2012. Implementation in the New West zone will occur September 1, 2012 and March 1, 2013 in the New East Zone. Morgan said that DPW is seeking feedback on ways to ease the transition for consumers and providers and about the county composition of the zones. Public comment is open until September 30, 2011. See http://listserv.dpw.state.pa.us/Scripts/wa.exe?A2=ind11&L=maac-meeting-minutes&T=0&F=&S=&P=16053. FMI: Contact JOMORGAN@pa.gov.
PA DPW Considers Incentive Payment to MA Consumers

Pennsylvania is considering paying Medicaid recipients – in some cases as much as $200 – as an incentive to visit higher quality and lower cost hospitals and doctors. On September 20 the Kaiser Health News (KHN) reported that PA Department of Public Welfare (DPW) Secretary Gary Alexander said that DPW hopes to launch the plan by early next year to help control rising expenses. At a conference sponsored by the America’s Health Insurance Plans (AHIP), Secretary Alexander said that DPW was considering a model to save hundreds of millions of dollars by steering Medicaid beneficiaries to the most cost effective settings. Secretary Alexander later told KHN that his incentive plan would initially be targeted to the nearly 1 million Medicaid recipients still in the traditional fee-for-service Medicaid program. He said that it later could be expanded to the more than 1.2 million in private Medicaid managed care plans. Secretary Alexander said he does not believe the state would need to get approval from the federal government for the incentive program. See http://capsules.kaiserhealthnews.org/index.php/2011/09/in-pennsylvania-it-may-really-pay-to-be-on-medicaid/#comments

Electronic Information Processing Changes in PA Medical Assistance Program

On September 22 the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee received an update on various changes in processing of electronic information in the Medical Assistance program. It was reported that the implementation date for a clean cut over for 5010/D.0 is January 1, 2012. All submitters of electronic transactions must be recertified. Failure to recertify will mean that DPW will be unable to process claims. At this point of 3,500 submitters, only 62 have been recertified. The pharmacy (D.0) system will be ready for recertification beginning October 24. Also, effective October 27, Medical Assistance Bulletins will be distributed electronically only. Distribution of paper copies will be discontinued. Providers have the options of registering for email notification of new Bulletins from PROMISe or a Listserv or checking the DPW website. Providers who do not select an option will be defaulted to obtaining Bulletins through the DPW website. Paper copies will still be distributed to providers who sign an attestation form stating that they have no or limited internet access or that the need to purchase hardware in order to obtain Bulletins would create a hardship. A Notice in the Pennsylvania Bulletin will appear on September 29. See http://listserv.dpw.state.pa.us/Scripts/wa.exe?A2=ind11&L=maac-meeting-minutes&T=0&F=&S=&P=16053.

OMHSAS Monitors Alternative Transportation to Psychiatric Rehabilitation Services

On September 22 at the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee (MAAC) Sabrina Tillman-Boyd of the Office of Mental Health and Substance Abuse Services (OMHSAS) reported that OMHSAS continues to monitor efforts to provide alternative transportation to psychiatric rehabilitation services. Tillman-Boyd said that those efforts appear to be going well and that in some instances agreements have been reached to coordinate with medical transportation providers. FMI: See http://listserv.dpw.state.pa.us/Scripts/wa.exe?A2=ind11&L=maac-meeting-minutes&T=0&F=&S=&P=16053.
DPW Announces CommCare Rates for Residential Services and Structured Day Programs

In the September 24 edition of the Pennsylvania Bulletin, the PA Department of Public Welfare (DPW) announced the development of a standardized rate-setting methodology and rates for residential habilitation and structured day habilitation services in the DPW Community Care (COMMCARE) and Omnibus Budget Reconciliation Act (OBRA) Home and Community-Based Waiver programs. The changes are effective for dates of service on and after October 1, 2011. DPW says that it was required by CMS to separate structured day habilitation services from residential habilitation services and to assure CMS that reimbursement for waiver services must be established using a standardized rate-setting methodology. To comply with these CMS requirements, DPW developed a standardized rate-setting methodology for these services and established service rates. DPW noted that since room and board and costs are not eligible for Federal funding and are billed separately from residential habilitation and structured day habilitation, room and board costs are not included in the rate development. The estimated cost for FY 2011-2012 is $1.774 million ($0.797 million in State funds). The annualized cost for FY 2012-2013 is $2.365 million ($1.070 million in State funds). DPW says that it will absorb the increased cost. Interested persons are invited to submit written comments regarding the rates and rate-setting methodology to RA-waiverstandard@pa.gov or Department of Public Welfare/Department of Aging, Office of Long-Term Living, Bureau of Policy and Strategic Planning, Attention: Elaine Smith, Forum Place, 5th Floor, 555 Walnut Street, Harrisburg, PA 17101-1919. Comments received within 30 days will be reviewed and considered for any subsequent revision of the notice. DPW says that it will absorb the increased cost. FMI: See www.pabulletin.com.

MAAC Reviews Plans for OLTL Programs

On September 22 the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee heard from Steve Horner, PA Office of Long Term Living, who provided an overview of the CMS initiative to support state efforts to coordinate care for Medicare-Medicaid Enrollees (MME). Horner said that Pennsylvania has already submitted its letter of intent for this technical assistance grant, which will allow it to test a capitated model, a managed fee-for-service model, or both. The goal is to coordinate care for Medicare-Medicaid enrollees while improving the quality of care and reducing costs. Horner said that DPW intends to take a statewide approach but has not yet selected a model. It will be seeking stakeholder input, ideas and comments. Acting Deputy Secretary of OLTL Kevin Hancock announced that OLTL has received approval from the Centers for Medicare and Medicaid Services (CMS) for a combined corrective action plan for all waiver programs. Hancock said that an announcement bulletin would be published in the Pennsylvania Bulletin on September 24 indicating the rates for residential habilitation services and structured day habilitation services for COMMCARE, OBRA and HCBS Waiver programs. See related story in PARF News. FMI: See www.dpw.state.pa.us. For document entitled LoI for dual eligibles see http://listserv.dpw.state.pa.us/Scripts/wa.exe?A2=ind11&L=maac-meeting-minutes&T=0&F=&&S=&&P=16053.
ODP FY2011-12 Rates to be Announced

On September 22 at the Pennsylvania Department of Public Welfare (DPW) Medical Assistance Advisory Committee the ODP representative reported that the FY 2011-12 rates will be announced shortly and will be effective November 15, 2011. In addition, ODP is working on policies or policy revisions in the following areas: vacancy policy; residential ineligible use allowance; discharge planning (when a provider decides it can no longer continue services to an individual); and the definition of a private home, which would not be subject to licensure.

ODP Training for State Center Transition Planning

On September 20 the PA DPW Office of Developmental Programs distributed ODP Announcement 123-11 on the training schedule for State Center Transition Planning and Person Centered Planning to Create Community Partnerships. The announcement communicates training scheduled for AE’s, County Programs, supports coordinator organizations and state centers who will be participating in transitioning state center residents to the community in order to comply with the recent settlement agreement in the Benjamin v. Alexander lawsuit. See www.odpconsulting.net.

ODP Schedules PA Outcomes Training for Fall 2011

On September 19 the PA DPW Office of Developmental Programs issued ODP Announcement 122-11 on Pennsylvania’s Outcomes Training for Fall 2011 required for administrative entity staff, supports coordinators and sc supervisors. Providers are strongly encouraged to attend the webcasts and live sessions. ODP says that participants will learn how to use information gathered for the individual service plan (ISP) to better understand how to develop and write outcomes that are person-centered and meet regulatory requirements. The training was required of all ODP Central and Regional Office program including licensing staff prior to the larger statewide rollout. The live trainings will be presented at locations throughout the Commonwealth. The trainings will be held from 9:00 am - 4:00 pm with on-site registration beginning at 8:30 am. A list of training locations and dates are provided in the announcement. See www.odpconsulting.net.

ODP Identifies Priority Areas for AE Annual Quality Management Plans

On September 19 the PA DPW Office of Developmental Programs issued ODP Announcement 122-11 on Administrative Entity (AE) Annual Quality Management (QM) Plans and Priorities for Calendar Year (CY) 2012. ODP Announcement 121-11 informs all interested parties of the ODP priority areas to be included in CY 2012 AE Annual QM Plans. ODP expects each AE to evaluate the CY 2011 AE Annual QM Plan process and outcomes overall prior to developing CY 2012 AE Annual QM Plans. The objective is to improve internal QM processes and build objectives for the next QM Plan year. For CY 2012, ODP expects each AE to identify specific opportunities for remediation and improvement and to incorporate identified focus areas into their Annual QM Plans. FMI: See www.odpconsulting.net.
In the September 24 edition of the Pennsylvania Bulletin, the PA Department of Public Welfare (DPW) announced benefit package changes for certain dental services for adult Medical Assistance (MA) recipients 21 years of age and older, effective September 30, 2011. DPW says that in deciding on the changes it closely evaluated the utilization of, and payments for, particular dental services to determine which services could be limited with minimal impact. DPW says that the proposed changes will have no impact on over 96% of the total MA eligible adult population eligible for dental benefits. Effective September 30, 2011, adult MA recipients 21 years of age and older will be eligible for the following: (a) One partial upper denture or one full upper denture and one partial lower denture or one full lower denture per lifetime [Additional dentures will require a benefit limit exception.]; (b) one dental exam and prophylaxis per 180 days, per adult recipient. Additional dental exams and prophylaxis will require a benefit limit exception; (c) crowns and adjunctive services, periodontal and endodontic services if the recipient receives a benefit limit exception. DPW says that it will grant benefit limit exceptions to the dental benefit package when certain criteria are met: (1) DPW determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will jeopardize the life of the recipient; (2) DPW determines the recipient has a serious chronic systemic illness or other serious health condition and denial of the exception will result in the rapid, serious deterioration of the health of the recipient; (3) DPW determines that granting a specific exception is a cost effective alternative for the MA Program; and, (4) DPW determines that granting an exception is necessary to comply with Federal law. The specified dental benefit package changes do not apply to MA recipients under 21 years of age or to MA recipients who reside in a nursing facility, in an intermediate care facility for persons with mental retardation or in an intermediate care facility for persons with other related conditions. Dental services previously approved through the DPW prior authorization process will be covered if the services are initiated prior to the close of the authorization period. DPW will provide detailed instructions to providers regarding the dental benefit package changes by means of an MA Bulletin and updated Dental Handbook pages that include instructions for submitting a benefit limit exception. MA physical health managed care organizations (MCO) have the option to impose the same or lesser limits for the aforementioned dental services. If an MA physical health MCO imposes the same or lesser limits, the MA physical health MCO will issue individual notice to its members at least 30 days in advance of the changes and will notify network providers, according to the MCO individual provider agreements, in advance of the changes. Interested persons are invited to submit written comments regarding this notice 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 within 30 days will be reviewed and considered for any subsequent revision of the dental benefit package. The cost containment change is expected to save $18,901,000 in State funds in Fiscal Year 2011-2012. FMI: See www.pabulletin.com.
DPW Issues Policy on Substantial Home Equity and MA Eligibility

In the September 24 edition of the *Pennsylvania Bulletin*, the PA Department of Public Welfare (DPW) published its statement of policy that applies to applicants and recipients in need of payment for (1) nursing facility services; (2) a level of care in an institution equivalent to that of nursing facility services; and (3) home and community-based services furnished under a waiver granted by the Centers for Medicare and Medicaid Services. In its announcement DPW says that provisions of the Deficit Reduction Act of 2005 (DRA) which became law on February 8, 2006 requires disqualification for payment of LTC services for individuals with substantial home equity. DPW says that since the Secretary of Health and Human Services (HHS) has not yet established a process to waive the application of the excess home equity provision in the case of a demonstrated hardship, it will continue to apply its limits related to the undue hardship provisions and make available its own undue hardship waiver request form for individuals who would be denied eligibility for payment of LTC services due to excess home equity. The process would be followed until the Secretary of HHS establishes the demonstrated hardship process. Since the DRA requires that the dollar amount of value of the home equity is to be increased beginning in 2011, the amount is to be increased from year to year based on the percentage increase in the Consumer Price Index for all urban consumers (all items; United States city average), rounded to the nearest $1,000. Therefore, the corresponding sections of the statements of policy have been revised to reflect this provision. The statement of policy is retroactive to January 1, 2011. Questions and comments to this statement of policy should be directed to Edward J. Zogby, Director, Bureau of Policy, Office of Income Maintenance, (717) 787-4081. In the September 24 edition of the *Pennsylvania Bulletin*, the PA Department of Public Welfare (DPW) also announced its excess home equity limit for individuals applying for or receiving Medical Assistance and payment of long-term care services. Effective January 1, 2011, the excess Home Equity Limit is $506,000. The DPW policy statement provides guidance for determining disqualification for payment of LTC services due to excess home equity. Interested persons are invited to submit written comments, suggestions or objections regarding this information to the Department of Public Welfare, Office of Income Maintenance, Edward J. Zogby, Director, Bureau of Policy, Room 431, Health and Welfare Building, Harrisburg, PA 17120. FMI: See [www.pabulletin.com](http://www.pabulletin.com).

Robotics-in-Rehabilitation Workshop on October 1

On October 1 Moss Rehab will be hosting a hands-on workshop on Robotics in Rehabilitation. The one-day seminar and workshop will introduce the use of Robotics for rehabilitation of neurologically impaired patients. The seminar will include presentation of evidence to support the use of various robotic devices including Lokomat®, ARMEO®, REO® and Tibion®. Specific attention will be given to therapist’s clinical decision making for the use and benefit of Robotics as an adjunct to traditional rehabilitation. Hands-on workshop with patient demonstrations will be included. The session will be held at Moss Rehab at 60 Township Line Road, Elkins Park, PA 19027. FMI: Contact Maria Lucas at 215-663-6984 or register online at [www.mossrehabconference.com](http://www.mossrehabconference.com).
President Obama Presents Plan for Job Creation and Deficit Reduction

On September 19 President Barack Obama released his plan for economic recovery entitled *Living within Our Means and Investing in the Future: The President’s Plan for Economic Growth and Deficit Reduction*. The Plan includes sections on The American Jobs Act, Mandatory Savings, and Health Savings, and Tax Reform. The plan focuses on job creation and deficit reduction. The American Jobs Act proposes spending for schools and transportation; targeted jobs programs; tax cuts, tax credits and tax reforms; and, changes in unemployment insurance. It includes a $5 billion for summer and year-round jobs for low-income youth in 2012 and year-round employment for economically disadvantaged young adults. The President is also proposing $257 billion in savings over 10 years in mandatory programs outside of the health area. In health programs the Plan proposes adjustments to Medicare and Medicaid saving approximately $320 billion over ten years. The plan reduces payments to providers and pharmaceutical companies and changes the way the costs of Medicaid are split with states. For medical rehabilitation providers, the plan adjusts payment updates for certain post-acute care providers, reduces the differences in payments for certain conditions commonly treated in inpatient rehabilitation facilities and skilled nursing facilities, and returns the compliance threshold for IRFs to the previous 75 percent level beginning in 2013. The plan reduces payments to skilled nursing facilities by up to three percent beginning in 2015 for those with high rates of hospital readmissions, reduces indirect medical education add-on payments by 10 percent beginning in 2013, and reduces bad debt payments to 25 percent over three years starting in 2013. FMI: See [http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/jointcommitteereport.pdf](http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/jointcommitteereport.pdf). See also [http://smtp01.kaiserhealthnews.org/t/24333/350492/23390/0/](http://smtp01.kaiserhealthnews.org/t/24333/350492/23390/0/).

MedPAC Proposes Deep Cuts in Post-Acute Care

On September 19 the Medicare Payment Advisory Commission (MedPAC) released its list of Medicare spending reductions that would support its proposal to change the Medicare physician payment system. Tier 1 of the offset list included a zero increase in inpatient rehabilitation facility (IRF) and long term care hospital (LTCH) payment updates for 2012 and an increase in the compliance threshold for IRF to 75%. Tier 2 of the offset list included applying a re-admissions policy to post acute providers (including skilled nursing facilities, home health, long term care hospitals and inpatient rehabilitation facilities. On September 15 MedPAC offered its recommendations to avoid a 30 percent cut in reimbursements for physicians and other providers in 2012 as a result of the sustainable growth rate (SGR) formula. FMI: See [www.medpac.gov](http://www.medpac.gov).

DOL and IRS Sign MOU on Employee Misclassification Compliance

On September 19 U.S. Department of Labor (DOL) signed a memorandum of understanding with the Internal Revenue Service to end the business practice of misclassifying employees in order to avoid providing employment protections. In addition, labor commissioners and other agency leaders representing seven states signed memorandums of understanding with the department's Wage and Hour Division and, in some cases, its Employee Benefits Security Administration, Occupational Safety and Health Administration, Office of Federal Contract Compliance Programs and Office of the Solicitor. The memorandums of understanding will enable DOL to share information and coordinate law enforcement with the IRS and participating states. FMI: For Release 11-1373-NAT, see [http://www.dol.gov/opa/media/press/whd/WHD20111373.htm](http://www.dol.gov/opa/media/press/whd/WHD20111373.htm).
Senate HELP Subcommittee Approves FY 2012 Appropriations Bill

On September 20 the Senate Labor, Health and Human Services, and Education, and Related Agencies Appropriations Subcommittee approved a fiscal year 2012 bill that provides $158 billion in current year discretionary funding, including offsets and cap adjustments for worker training programs, target fraud and abuse, and provide incentives to reform health, workforce and education systems. The bill includes $14.6 million for a new initiative targeting mental health and substance abuse treatment services to homeless and at-risk families. This initiative, in collaboration with the Department of Housing and Urban Development, aims to provide permanent supportive housing to those who experience chronic, long-term homelessness. The bill includes $678.6 million, the same as the fiscal year 2011 funding level, for the Community Services Block Grant (CSBG). The bill includes $900 million for AIDS Drug Assistance Program (ADAP), an increase of $15 million over the fiscal year 2011 level. The bill also provides $111.6 million, an increase of $10 million over the fiscal year 2011 level, for CDC efforts to eradicate polio. The bill provides nearly $11.5 billion for Education for Individuals with Disabilities, the same amount as the fiscal year 2011. The bill protects WIA formula programs at current funding levels. The bill includes $100 million to continue the Workforce Innovation Fund. Senate Labor-HHS bill is expected to be used in negotiations to establish a final FY 12 Omnibus Appropriations bill containing all the appropriations bills, including Labor-HHS. FMI: See http://appropriations.senate.gov/sc-labor.cfm.

CMS Issues Bulletin on HCB Waivers and Vocational Services

On September 16 the Centers for Medicare and Medicaid Services (CMS) issued an Informational Bulletin to update its Waiver Technical Guide Version 3.5 and clarify its position on employment and employment-related services. In the update, CMS emphasized the importance of competitive work for people with disabilities and highlighted its goal to promote integrated employment options through the waiver program. The TA Guide added a new core service definition by splitting supported employment into two definitions – individual and small group supported employment. It clarified that volunteer work and other unpaid integrated community employment activities are pre-vocational services, not supported employment services. The TA guide also clarified that pre-vocational services are designed to help obtain competitive employment and are time-limited although no specific limit is given in the update. Major changes also include clarifications that (a) volunteer and other unpaid activities are appropriately described in prevocational services as opposed to supported employment and (b) pre-vocational services are time-limited (Note: Specific limits are not prescribed in the CMS Informational Bulletin). For a copy of the CMS Informational Bulletin see https://www.cms.gov/CMCSBulletins/downloads/CIB-9-16-11.pdf. For more information about the guidance, contact Ms. Nancy Kirchner, Health Insurance Specialist, Division of Long Term Services and Supports at 410-786-8641 or nancy.kirchner@cms.hhs.gov.
HHS Awards Grants to Oppose Unreasonable Increases in Health Insurance Premiums

On September 20 the U.S. Department of Health and Human Services (HHS) announced Patient Protection and Affordable Care Act (ACA) grant awards of $109 million to 28 states and the District of Columbia to fight unreasonable premium increases. As of September 1, 2011, the ACA requires health insurers seeking to increase their rates by 10 percent or more in the individual and small group market to submit their request to experts to determine whether the rates are unreasonable. The ACA also requires insurance companies to publicly justify unreasonable premium rate increases. The ACA provides states with $250 million in Health Insurance Rate Review Grants, $48 million of which has previously been awarded to 42 states, the District of Columbia and five territories. HHS also released a new report entitled Rate Review Works detailing how previous rate review grants are fighting premium hikes. FMI: See http://www.hhs.gov/news/press/2011pres/09/20110920a.html. For the full Rate Review Works report, see http://www.healthcare.gov/law/resources/reports/rate-review09202011a.pdf. For a fact sheet on the awards, see http://www.healthcare.gov/news/factsheets/2011/09/rate-review09202011a.html.

HHS Issues Final Rule on Medicaid Recovery Audit Program

On September 14 the U.S. Department of Health and Human Services (HHS) released its final rule for the Medicaid Recovery Audit Program. The Affordable Care Act provides an additional $350 million over 10 years and an annual inflation adjustment to ramp up anti-fraud efforts. To learn about the new RAC tools in preventing and fighting waste, fraud and abuse, see http://www.healthcare.gov/news/factsheets/fraud09142011a.html. FMI: See https://www.CMS.gov/apps/media/press/release.asp?Counter=4084. Questions about the Recovery Audit Program should email CMS at RAC@cms.hhs.gov.

CMS Shifts Responsibility for Demand Letters from RAC to MAC

On September 19 the Centers for Medicare & Medicaid Services (CMS) issued CR 7436, which shifts the responsibility for sending demand letters from the Recovery Auditors to the Medicare Administrative Contractors (MACs) starting in January 2012. In preparation for this nationwide change, Connolly, the Recovery Auditor for Region C, and CGS, the DME MAC for Jurisdiction C, will start a pilot program in September 2011. CGS is working to educate its provider and supplier communities on this change. See MLN Matters® Number: MM7436 and related Change Request (CR) #: 7436 released on July 29, 2011. For more information see http://www.cms.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip on the Centers for Medicare & Medicaid Services (CMS) website. To see the official instruction (CR7436) issued to your Medicare contractor, see http://www.cms.gov/Transmittals/downloads/R192FM.pdf on the CMS website.
PARF NEWS
Dateline: September 23, 2011

CMS Releases IRF PEPPER

On September 15 the Centers for Medicare & Medicaid Services (CMS) released Program for Evaluating Payment Patterns Electronic Report (PEPPER) for inpatient rehabilitation facilities. For information on the distribution of the Inpatient Rehabilitation Facility (IRF) PEPPER (version Q2FY11) see http://www.pepperresources.org/PEPPER/PEPPERDistribution.aspx. See also http://www.pepperresources.org/LinkClick.aspx?fileticket=tOmFNvglPos%3d&tabid=100.

For IRF units of short-term acute care hospitals, the IRF PEPPER file was uploaded to the File Exchange inbox of hospital QualityNet Administrators and user accounts with the PEPPER recipient role. QualityNet Administrators will receive download instructions in a separate email. Free-standing IRFs will receive their PEPPER in hard copy format via FedEx from TMF® Health Quality Institute. TMF is under contract with the Centers for Medicare & Medicaid Services (CMS) and provides hospital-specific data to IRFs. For more information, resources, training materials, PEPPER User's Guides, hospital testimonials regarding PEPPER, information about My QualityNet accounts and frequently asked questions, see www.PEPPERresources.org.

CMS Seeks Recommendations on Physician Quality Reporting System

The Centers for Medicare & Medicaid Services (CMS) is now accepting quality measure suggestions to be considered for use in Physician Quality Reporting System future rule-making years. To learn more about the Physician Quality Reporting System Call for Measures and instructions on submitting candidate measure(s), visit the CMS Measures Management System (MMS) Web site at http://www.cms.gov/MMS/13_CallForMeasures.asp#TopOfPage. All suggestions must be received by CMS no later than 5:00 p.m. EST October 7, 2011.

CMS Publishes Correction to IRF PPS


IRF PPS PC Pricer Updated

The Centers for Medicare & Medicaid Services (CMS) has updated the FY2011 Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) PC Pricer with corrected July provider data. The PC Pricer is now ready for download from the Centers for Medicare & Medicaid Services (CMS) web page at http://www.cms.hhs.gov/PCPricer/06_IRF.asp. If you use the IRF PPS PC Pricer, see the page above and download the latest version of the FY2011 IRF PC Pricer with corrected provider data posted on September 20, 2011 in the Downloads section.
CMS Offers Assistance on Version 5010 Transaction Standards

On January 1, 2012 all covered entities under the Health Insurance Portability and Accountability Act (HIPAA) must be ready to implement the Version 5010 transaction standards on January 1, 2012. The Centers for Medicare and Medicaid Services (CMS) is advising providers that a critical step to reaching this milestone is testing Version 5010 transactions prior to going live. With less than four months until the transition, CMS warns that it is time to take action, especially on external (Level II) testing. CMS has posted a new fact sheet to help providers better understand testing and the steps involved. CMS says that external testing with business partners in the new Version 5010 format will ensure that you are able to send and receive compliant transactions prior to the deadline. CMS says that providers should begin testing as soon as possible if they have not already done so. Some suggested steps to take now are: Identify the partners you currently conduct transactions with; create a schedule and timeline for external testing with each partner; identify priority partners to conduct testing with if you trade with a large number of business partners To keep up to date on Version 5010, see the 5010 website located at https://www.CMS.gov/Versions5010andD0/ for the latest news and resources.

CMS Hosts Open Door Sessions

The Centers for Medicare and Medicaid Services has scheduled several upcoming Open Door Sessions important to medical rehabilitation service providers. They are: (1) CMS Hospital & Hospital Quality Open Door Forum on October 5, 2011 from 2:00 to 3:00 p.m. Eastern Standard Time (EST). To participate by phone-Dial: 1-800-837-1935 & Reference Conference ID: 83524157. (2) CMS Skilled Nursing Facility (SNF)/Long-Term Care (LTC) Open Door Forum on October 20, 2011 from 2:00 to 3:00 p.m. Eastern Standard Time (EST). To participate by phone-Dial: 1-800-837-1935 & Reference Conference ID: 83526194. (3) CMS Physicians, Nurses & Allied Health Professionals Open Door Forum on November 1, 2011 from 2:00 PM Eastern Standard Time (EST). To participate by phone-Dial: 1-800-837-1935 & Reference Conference ID: 9389535. For each of these forums, please dial in at least 15 minutes prior to call start time. 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. For ODF schedule updates, E-Mailing List subscription and Frequently Asked Questions, visit the CMS website at http://www.cms.gov/opendoorforums

VA Extends Retroactive Traumatic Injury Benefits

The Department of Veterans Affairs (VA) has announced that it is extending retroactive traumatic injury benefits to service members who suffered qualifying injuries during the period October 7, 2001 to November 30, 2005, regardless of the geographic location where the injuries occurred. Effective October 1, the Service members’ Group Life Insurance (SGLI) Traumatic Injury Protection benefit (TSGLI) will be payable for all qualifying injuries incurred during this period. This retroactive benefit is payable whether or not the service member had SGLI coverage at the time of the injury. The Veterans’ Benefits Improvement Act of 2010 signed into law in October of 2010 removes the requirement that injuries during this period be incurred in Operations Enduring or Iraqi Freedom (OEF/OIF). FMI: See http://www.insurance.va.gov/sgliSite/TSGLI/TSGLI.htm